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EDITORIAL COMMENT

“Little Disorder
Marks Election:
Not a Gun Fired”
It sounds like Central America, but careful reading discloses that it refers to Chicago. We recall one election in a little republic to the south (in which we were rather intimately interested) of which the local officials were wont to boast. Due to high board fences which separated Liberals from Conservatives at the polling places, no shots were fired and no lives lost. The man who thought up the board fence might be of service to Chicago.

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Ashtabula Sticks to
P. R. and City Man-
ager Plan
For the second time since its adoption ten years ago, the voters of Ashtabula, Ohio, have defeated an attempt to repeal their system of proportional representation for the election of councilmen. The result on November 2 was 2,268 to 1,926 in favor of retaining P. R. The attack this time also involved a repeal of the city manager plan of government. The sales value of the name, city manager, was recognized in that it was not proposed to abolish the city manager. He was only to be made popularly elective for a two-year term and given the usual mayor's veto power over the council. To their credit, be it said, the voters refused to be beguiled

by a falsified trade name and by a vote of 2,259 to 1,792 decided to retain their present manager form.

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Recall of City Man-
agers

Some city manager charters provide for the recall of the manager by popular vote. The National Municipal League has always insisted that this is not in accordance with the strict theory of the manager plan, which would place full and undivided responsibility upon the city council for hiring and firing the manager.

Sporadic efforts to recall the manager occur, and generally receive a great deal of publicity to the detriment of the manager and the discrediting of the plan. That these efforts later expire in thin air even without bringing the matter to a vote, is never so well advertised. Fact never catches up with rumor.

A recent case of this kind happened in West Palm Beach, Florida. Several months ago, it was necessary to remove a druggist's advertising sign because it interfered with a traffic tower in the street. Thereupon the offended druggist ran for city commissioner on the platform of discharging the manager, and was elected. At his first meeting he introduced a resolution declaring the position of manager vacant but his

motion failed to secure a second; a counter motion expressing confidence in the manager was passed by a vote of four to one. The angry councilman's next step was to start a recall petition against the manager. He failed, however, to secure the requisite number of names. Indeed, it was found that a considerable number of his signers were not voters, as the law requires, or even permanent residents of the city. The petition therefore failed and since that time nothing more has been heard of the matter.

Seattle Reduces Her Budget

Seattle's woman mayor has brought good luck to the city's tax-payers, who in 1927 will be called upon to contribute \$438,000 less to the city government than in 1926. This reduction signifies a cut of almost 5 per cent in the tax rate on the basis of the assessed valuation of property as it stands at present. According to the Municipal League of Seattle, the three public utility systems owned by the city (water, light and street railway) are self-supporting; therefore their budget figures are not included in the estimates on which the tax levy is based. The largest cut, \$509,000, is in the general fund. Allowances for debt services remain practically the same, but appropriations for libraries and parks are increased \$157,000.

No doubt the fine hand of Mayor Bertha R. Landes was influential in bringing about this welcome measure of relief. She operates under a strong-mayor charter which enables her to impress her personality upon the city's administration, and we imagine that municipal services will function as well, or better, than under the previous administration of time-serving politicians.

For the most part however, city expenditures are still climbing upward. Also, as Mr. Rightor points out in this

issue, the trend of the general property tax rate is upward. New York's 1927 budget, as passed by the board of estimate, amounts to approximately \$475,000,000, about \$38,000,000 above 1926. Mayor Walker asserts, however, that past budgets have been deceptive in that they have not included certain fixed charges which have had to be paid later by the issue of tax notes or special revenue bonds. This year, he states, the budget includes \$12,000,000 to defray such charges. By placing this amount in the budget, the mayor expects to save the city about \$480,000 in interest charges.

Constitutional Amendments in Michigan—Excess Condemnation

The Michigan constitution requires that a proposition to call a state constitutional convention shall be submitted to the voters every sixteen years. The question was accordingly placed on the ballot at the November election, but the voters decided by a decisive majority that the present constitution is good enough.

Unfortunately, however, two important measures were lost. One was an authorization to the legislature to extend to municipalities the power of excess condemnation. Sponsored by public officials and civic leaders of Detroit in order that the city might go ahead with necessary street widenings, the proposal was defeated by voters outside of Wayne county who doubtless did not understand what it meant. It followed the Ohio provision which makes bonds, issued to pay for property condemned in excess of what is physically needed for the improvement, a lien on the property so condemned and not a general obligation of the city. In Cleveland this limitation has been found entirely fatal to the exercise of the power of excess condemnation in that no attempt has ever been made to

issue such bonds because of the poor market rating which they would enjoy. The result has been in fact to nullify completely the use of excess condemnation, and it is problematical whether Detroit would have found herself much better off if the amendment had carried. The limited security which excess condemnation bonds would have enjoyed would perhaps be reasonable if the chief purpose were to enable the city to make a profit on real estate transactions, but since the motive behind excess condemnation is so much broader than this (profit taking being only incidental, if it figures at all), it is seriously questionable whether the amendment would have improved the Detroit situation to the extent to which its backers believed.

The second important amendment lost would have authorized the legislature by general law to provide for metropolitan districts to supply parks, sewerage, drainage and water systems, and light, power and transportation facilities to the inhabitants of such districts. The erection of each particular district would have been at the discretion of the electors of the proposed district and a charter once adopted could have been amended by the people. In each case, however, a majority of the voters of each city, village and township involved would have been necessary.

A proposal to increase the salary of members of the legislature from \$800 to \$1,200 per regular session was overwhelmingly defeated. Evidently the voters believe that their legislature isn't worth any more than they are paying for it now.

City Government on
a Lavish Scale

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North of Duluth, in the great Minnesota iron range, is found a series of cities and villages peopled largely by immigrant stock who work

in the mines and who, speaking from the standpoint of services rendered by the municipal government, live in the greatest luxury. Within the municipal boundaries lie large deposits of the richest iron ore, from which the cities have received vast revenues. The abundant proceeds went to provide a system of streets, schools and public buildings such as a community of millionaires might covet.

It may be that the iron companies were mulcted. Certainly they had to pay for municipal services which they considered excessively lavish. But valuable minerals are natural gifts and, most authorities now agree, a fit object of special taxation. In any event, the range cities are conscious that they have a measurable life and the city governments knew that they were getting while the getting was good. Yet easy come, easy go, applies to governments as well as to individuals, and these range communities have spent their income with a care-free hand. Undoubtedly some of it has been frittered away. Nevertheless it can not be said that they have nothing to show for it.

Take for example the town of Virginia, where the Minnesota League of Municipalities held its convention last summer. Here is a city of 17,000 population and all streets and alleys paved with concrete and asphalt; boulevard lighting everywhere; a high school and junior college building costing a million and a half dollars (the furnishings of the stage alone cost \$38,000), and equipped with boys' and girls' gymnasiums, a large cafeteria and complete shops for training in several vocations; an elaborate city hall, which also houses the Chamber of Commerce; a huge recreational building; a municipal central heating plant, and water, gas, light and power plants owned by the city.

At present there are twenty-seven nationalities represented in the Virginia High School and Junior College, and most striking is the contrast between the private houses which shelter these nationalities and the public works and buildings of the city. Although better than the homes in many mining centers, the houses of the people leave much to be desired in beauty and neatness. Yet, so productive were the iron-ore taxes that some of the cities, until enjoined by the courts, undertook to maintain athletic teams at municipal expense.

Hibbing (pop. 15,000) possesses a four-million-dollar high school. Another small city of seven thousand population boasts a municipal ball park which cost \$45,000, a recreation building costing \$110,000 and a \$94,000 municipal auditorium. One village of two thousand population is the proud owner of a \$240,000 municipal skating rink.

Measured by usual sensible standards, the range cities have been extravagant. Probably the moral effect of such a vulnerable and rich source of funds is a tendency towards pauperizing the community. Moreover some of the municipal luxuries are doubtless beyond the abilities of the resident miners to appreciate. Some say that it is folly to teach high school girls to cook on electric stoves when their homes do not afford gas ranges; but to the casual visitor, at least, there is something invigorating in perfect streets, ample parks and elegant public buildings contributing to the pleasure and perhaps the beauty of life. They suggest that municipal government

may be more than police protection and sewage disposal. Certainly the environment in which the range miners live is not that of the usual mining district and we cannot but feel that the elegant municipal services have had some influence for good upon the homes of the people.

A few years ago the legislature imposed upon the municipality a general property tax limit of one hundred dollars per capita, and some range cities feel that they have been much curtailed thereby, although only five have reached this limit. When it is realized that revenues from the general property tax in cities of equal population throughout the United States average about twenty-five dollars per capita, schools included, the hundred dollar limit does not seem severe.

Many interesting financial anomalies exist with respect to the range cities. Hibbing, with one-sixth the population of Duluth, has an assessed valuation \$6,500,000 greater, and receives a general yield of \$4,800,000 to Duluth's \$5,600,000. Franklin with a population of 807 and an assessed valuation of \$21,000,000 obtains a return of seventy-five dollars per capita at a tax rate of \$2.90. In many of the cities the proportion of iron property to total property taxed runs over 90 per cent. Thus it appears that practically all the taxes are paid by absentees.

An authoritative sociological study of the effect of this unique source of riches upon the municipalities and their inhabitants would be interesting and perhaps suggestive of great possibilities.

MASSACHUSETTS TOWN MEETING BENDS BUT DOES NOT BREAK

BY JOHN F. SLY

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The old-fashioned town meeting is slowly yielding to the limited town meeting—a new experiment seeking to preserve direct legislation and pure democracy. Modern city charters calling for mayors, bureaus, and councils, with emphasis on administration, have not had wide appeal. :: :: :: :: :: :: :: :: :: :: :: ::

A LITTLE over a century ago, the commonwealth of Massachusetts had no cities. It took thirty years of agitation before Boston with a population of over 40,000 people adopted a representative government. To-day the cities of the Bay State have increased to thirty-nine, but with few exceptions the remainder of her three hundred and fifty-five local communities conduct their political affairs through the use of the town meeting. With a total of five hundred and nineteen municipalities, Maine has chartered but twenty cities. New Hampshire reports eleven from a total of two hundred and thirty-five. Rhode Island with a population of five hundred and sixty-six to the square mile maintains six cities and thirty-three towns. Vermont still numbers two hundred and forty-eight towns, only three of which have sought administrative relief through a town manager. Whatever may be the difficulties involved in a disinterested electorate, in increasingly complex local problems, in a diverse and unstable foreign influx, in a large and unwieldy town meeting, there is throughout New England a deep-seated reluctance to attempt the conventional forms of representative governments.

AFFECTION FOR PURE DEMOCRACY — DIRECT LEGISLATION

Massachusetts is the oldest, the wealthiest, the most heavily populated of this politically recalcitrant but perhaps, paradoxically liberal group. Her "conservatism," treated with youthful tolerance by the more "progressive" states of the west, can still find solace for belated progress in six distinct types of local government that are at present in operation. However vague the concept of pure democracy may appear to newer and more sophisticated communities, it has meant something to the people of the Bay State—something that newer forms of city government with mayors, councils, and commissions have somehow failed to exemplify. Her large municipalities have clung desperately to the ghost of popular government—cherishing the form, at times, when the reality has long since vanished. They have found, it seems, little practical aid in the vigorous political experiments beyond the Berkshires. Like Gribouille, they have shown little inclination to jump into the ocean in order to avoid the rain. And so a reluctance to part with the old has stimulated a search for the new—the

political formula that will properly combine direct legislation with the representative principle.

In 1915 the town of Brookline, Massachusetts, contained a population of over 33,000. For twenty-five years the town meeting had experienced difficulties. The population had developed into a mixed type. The electorate, accordingly, became equally diverse. Proximity to Boston caused difficulty in attendance, and while several policemen with check lists at the door of every town meeting did much to relieve the embarrassment, they likewise tended to reduce the legitimate attendance. The presence of about two hundred voters seemed to be about the usual number. Five or six hundred was large. The town had attempted most of the recognized methods that would tend to increase the political efficiency of a growing community trying to conduct its political affairs much as in the days of the colony or province. For many years it had utilized an advisory committee of twenty citizens who examined the articles in the warrant and reported its recommendations in print to the town. State regulation of ballots, polling and nomination was accepted. Not until the town contained close to 16,000 people were voting precincts established, and it was several years later before the town meeting was subjected to check lists and registering turn-stiles. In 1910, the population exceeded 27,000. Five years later it was over 33,000. And in that year (1915) the selectmen's report makes note of "a change in our form of government"—a change that "simply regulates the size of the town meeting."

EXPERIMENT WITH MODIFIED FORM

But the new charter adopted at that time did something more than this. It contained features that were unusual

in American practice. The town meeting was hardly regulated,—it was abolished; and in its place there was provided an assembly composed of two types of representatives: first, twenty-seven members chosen by popular vote from each precinct (of which there are nine) and second, certain *ex officio* members, including the more prominent town officers and the members of the town in the General Court of the Commonwealth. Through this method there was provided an elected membership of two hundred and forty-three (one-third retiring annually) and a membership-at-large of twenty—a total of two hundred and sixty-three "town meeting members" invested with substantially the same powers as those exercised by the old town meeting.

But the act provided for a second novelty in municipal practice. The third article read: "Subject to such conditions as may be determined from time to time by its members . . . any registered voter of the town who is not a town meeting member may speak, but not vote, at such meeting."

In practice this provision has come to mean simply this: the hall in which the meeting is held is arranged in such a way that the town meeting members may be assembled in front of a railing. Behind this barrier are seats for the interested voter. He may listen to the debate, observe the action of his precinct delegates, and, if he desires, address the meeting. In such case, the procedure is simple. He arises in his place, addresses the moderator, and is asked his name. The moderator further inquires if he be a registered voter. If so, he is then requested to step forward and address the meeting. In short, the voter is allowed every opportunity that pure democracy could permit to participate in the formation of community policy, except that the

privilege of voting upon the issue is reserved to representatives who are seated before him.

Such, in its more unusual features, was the government placed in effect in the town of Brookline in 1915. Four years later, Watertown, after experiencing similar difficulties and attempting similar remedies, followed the example of her larger neighbor. Within a few months, Arlington and Winthrop, with populations close to twenty thousand people, adopted similar acts. By 1922 four additional towns—Weymouth, Methuen, Greenfield and West Springfield accepted political organization along lines identical with the earlier experiments, and the spring of 1926 added the ninth town, Belmont, to the group. The charters were merely the Brookline plan cut to fit local conditions. There was some variation relative to the basis for the choice of town meeting members, but all provided for the elected and *ex officio* groups. There was, on the contrary, no variation in the provisions permitting the participation of the voter in town meetings. Each act originally provided for a referendum of certain question to the voters of the town, designated that a majority of all of the town meeting members should constitute a quorum (except Belmont, which provides for one hundred), required that "all town meetings shall be held with open doors" and set forth the regulations usual to the nomination and election of public officers.

NEW PLAN SATISFIES

There are, therefore, nine towns in Massachusetts that have attempted a new experiment in democracy. Each is comparatively large in population—none below fifteen thousand with electorates for the most part well over five thousand, and one, Brookline, with a population exceeding forty-two thou-

sand, with over eight thousand registered voters. They are likewise comparatively prosperous. One of the least populous, Greenfield, reports an assessed valuation of close to \$22,000,000 and a tax rate of \$30.40 a thousand. There are, perhaps, few cities of equal size that can claim as Brookline, a total valuation of close to \$137,000,000, a tax rate that even during the peak years of war never reached \$22, present expenditures of almost \$4,000,000 a year, and a debt, that for fifty years (with slight exceptions) fluctuated between one and two million dollars. Each appears, moreover, generally satisfied with the new experiment, and can seek some assurance for its success in the interest manifested by other towns in the commonwealth.

But it is an axiom of political science that statutory words are shorn of significance until they have been clothed with action. In practice, do the voters attend the meetings as is their privilege? In nearly all cases, they do. The attendance varies, of course, with the interest in the business that happens to be before the town. Even in the larger towns, two hundred seems to be a generous number. Five hundred is large. Weymouth reports as many as a thousand. Do they, moreover, avail themselves of the unusual privilege of addressing their representatives? They do, although such participation is, in general, not frequent. But as Mr. Edward H. Baker of Brookline, a close student and able advocate of the system, rather effectively remarks "the privilege is there." A political framework can, after all, do little more than offer the voter an opportunity to make his influence felt.

As to the town meeting membership, there has been, apparently, little difficulty in securing candidates. In spite of the fact that articles in the town

warrants continue to run from fifty to a hundred in number, special meetings are usually few, and the total number of meetings during a year rarely exceeds four or five. The attendance of the delegates, who serve, incidentally, without remuneration, seems to be on the whole, very good. At times there has been difficulty in securing a quorum—the acts, as was indicated, all providing, originally, that a majority of the members be present—but the principal difficulty in securing the required number seems to have been at special meetings, and in the case of Watertown the condition was remedied by reducing the quorum to thirty per cent of the total membership, and the recent act accepted by Belmont provides for one hundred. Procedural difficulties have not, it seems, been serious. With far less formality than the ordinary legislature, much is left to the fairness and intelligence of an able moderator, and all of the towns utilize the services of some form of advisory committee, whose recommendations on the various articles of the warrant are usually held in high esteem.

SOME IMPORTANT TOWNS CLING TO HISTORIC TOWN MEETING

But the system is not fully accepted. A dozen years is not long in the history of Massachusetts. Framingham, the largest unlimited town meeting in the state, has consistently rejected the plan. Fifteen years of agitation ended with the appointment of a third committee at the last town meeting, to report on a suitable change in town government. Wakefield, by a close vote, refused to accept an act of the General Court approved in February of this year (1926) establishing the new form within its borders. Milton, on the contrary, is apparently ready to accept the change at an early date. Abington, Andover, Chelmsford, Dedham and even Plym-

outh—the distinguished progenitor of them all—have given it consideration.

Each spring various town meetings appoint committees to report upon the possible reconstruction of their local governments, and each spring community sentiment is recorded in their reports. The disadvantages of the limited town meeting that seem to be the most impressive to the Massachusetts townsman are the anticipated difficulty of securing properly qualified representatives, the uncertainty of obtaining a quorum at the meetings, the need of administrative reform for which the plan makes no provision, and the fear that on acute questions the attendance and participation of the average voter would lead to confusion. To the proponents of the plan, however, these objections are dismissed as largely theoretical, and as having offered little difficulty in practice. In addition they point to opportunities for increased public spirit to assert itself, of a less likelihood of partisan state interference, of the assurance of the same type of competent officers that is felt to have characterized many town administrations under the old order. It is difficult to form an estimate of its success. It can obviously not be fairly judged out of its New England environment. The plan does leave the administrative problems of the town almost untouched. The medley of town officers, overlapping boards and commissions with their conflicting jurisdictions remain without substantial alteration. The "long ballot" is not reduced—indeed, the elective offices are increased through the large number of popularly chosen delegates. The town meeting is large—perhaps too large for deliberation and precise action. But each meeting has done much to facilitate its procedure by using an advisory or finance committee usually appointed by the mod-

erator, whose recommendations on all articles in the warrant are held in esteem, and are only on rare instances overruled by the meeting.

There seems, moreover, to have been little pronounced dissatisfaction and, with the exception of Watertown, where at a meeting in May of this year (1926), the question of a city government was seriously considered, there seems to have been little organized opposition. It may be added that Watertown rejected any change in its present form of government. Other New England states have given but slight attention to the plan. Newport, Rhode Island, adopted it in 1906, but the city has recently altered the early act, chiefly, it seems, because of the difficulty in securing qualified men to stand for election to the council.¹ Some towns in Rhode Island are tending to apply the plan in a restricted way under the form of "limited financial councils" to minimize the danger of voting funds in an open and unlimited town meeting. But communities in the remaining New

England states have sought relief in administrative revisions utilizing the town manager under various guises, or have frankly adopted representative city government.

Whether the communities of Massachusetts that have given the new plan a serious trial will find the arrangement a permanent one is a matter for conjecture. The experience of Brookline would seem to offer hope that the plan would be sufficient for many years to come. There have been no attempts to alter the various charters since their inception, except for the purpose of reducing the quorum in Watertown, and for minor matters in Brookline and Winthrop. At the present time, there seem to be no amendments of a serious nature contemplated. The original plan is still on trial. Able men are in sympathy with the work. The commonwealth of Massachusetts has given many examples of democracy in politics. The consent of the governed has, perhaps, received more effective realization in political action through her town meetings, than under any other form of political control. If the limited town meeting can preserve this feature, it will justify itself.

¹ Newport voted November 2 on the adoption of a city manager charter, with a view to supplanting the present charter, referred to in the text, imposed by the legislature. [Ed.]

NEEDED BALLOT REFORM PROPOSED IN ILLINOIS

BY HERBERT E. FLEMING

Executive Secretary, City Club of Chicago

The party column ballot is bad enough, but coupled with a long ballot the befuddlement of the voter is complete. A Chicago ballot in 1924 was 2½ feet wide and 3 feet long and carried ten party columns. ::

INTRODUCTION of the Massachusetts, or the New York, form of ballot, on which the names of the candidates for each state and county office are grouped under the name of that office and the party columns and party circles are done away with, was one of the leading issues of the 1925 session of the Illinois legislature. Along with this was the proposal to print the names of the twenty-nine candidates of each party for presidential electors—an empty honor—in a small box on the ballot and for voting for electors as a unit by putting a mark opposite the names of the party candidates for president and vice-president. Discussion of both reforms will doubtless be renewed in the 1927 session.

The object, of course, is ballot simplification, to render it easier for the independent voters, whatever their national party affiliations, to make their judgment effective in the election of state and county officers. It is to put an end to the absurdity of having state and county officers elected not on their merits but on account of their positions as tails to national party kites.

A sharp antithesis between New York and Illinois, brought out in the news of the election returns of November 1924, has awakened many citizens and civic organizations of Illinois to the possibility of getting straight-away voting on state and county

offices even in the year of a presidential election. Both New York and Illinois are classed as Republican states. Coolidge and Dawes carried both by overwhelming votes. But in New York a Democrat was reelected governor, while in Illinois a Republican governor was saved from defeat for reelection only by the party-circle votes for the Coolidge-Dawes ticket.

SPLIT TICKET VOTING TOO DIFFICULT TO ATTEMPT

In Illinois the task of voting a split ticket is too difficult for many a voter. Moreover, it is regarded as risky. In the first place, the ballot in use in this state is the large ballot, the so-called "blanket ballot." Take for example the ballot used in the 1924 election in the precincts of the second congressional district, a great south side district in Chicago. This ballot was two feet and six inches wide and three feet from top to bottom. It carried ten party columns, ten party headings, and ten party circles, one at the top of each column; also an eleventh party designation. The Democratic party column carried the names of sixty-three candidates and the Republican sixty-four, with a square in front of each name. In each of these columns, twenty-seven offices were listed as follows:

Federal: President, vice-president, electors of president and vice-president,

United States senator, representative-at-large in congress, representative in congress from the district.

State: Governor, lieutenant governor, secretary of state, auditor of public accounts, state treasurer, attorney general, trustees of the University of Illinois, representatives in the general assembly.

County: Judge of the circuit court—to fill a vacancy, judges of the superior court—to fill vacancies, state's attorney, member of the board of review, members of the board of assessors, recorder of deeds, clerk of the circuit court, clerk of the superior court, coroner, surveyor.

Local: trustees of the sanitary district of Chicago, clerk of the municipal court, bailiff of the municipal court.

Incidentally the names of the candidates for governor and other state administrative offices in each column stood just below the names of the candidates for president, vice-president, presidential electors and United States senator, and were just above those of candidates for congress.

INDEPENDENTS AVOID PARTY CIRCLE

Under the election laws of Illinois it is permissible to put a cross in the circle at the head of a given party column and then to "scratch" the party ticket by putting a cross in the square in front of the name of a candidate for a given office in another party column. But *The Chicago Daily News* and other earnest advisors of independent voters ordinarily counsel them to shun the party circle, and to put a mark in the square opposite the name of each candidate deemed the best qualified for each office in whatever party column his name may be found. However, experience has proved that this is too much to ask even of the intelligent voters. Their patience in the face of the task given them both before

going to the polling place and after they get into the voting booths breaks down, naturally. Moreover, it is difficult for the independent voters to be sure to avoid errors that lead the scratched ballots to be thrown out. Finally the heavy task imposed on judges and clerks of election in counting the split ballots, in addition to their general ask of counting, which keeps them on the job many hours after the polls have closed, is a temptation to carelessness and worse.

"Why not remedy this situation by introducing the short ballot?" Someone from another state may ask this of the Illinois man. The answer is that this will be done in due time, but that not much in the direction of reducing the number of offices to be voted for can be done without revising the state constitution of 1870, which provides for many of the offices concerned. The experiences in and after a state constitutional convention within the last few years have proved that wholesale revision of the constitution is well-nigh impossible, because of a dead-lock between Chicago and "downstate" over the matter of relative representation in the state legislature. Furthermore the fate of a referendum in the recent election shows it is even difficult to widen the very restricted amending clause of the state constitution. So those interested in improving ballots and elections in Illinois are seeking to make improvements just now within the limits of statutory enactments.

Judge Edmund K. Jarecki has had the ballot used in Chicago in the election of November, 1924, reprinted in the form that would be followed if the Massachusetts ballot for state and county offices and the plan of unit voting on presidential electors were adapted for Illinois.

This new and possible ballot is only two feet wide and a foot and a half

from top to bottom, whereas the ballot of last November was two and a half feet wide and three feet from top to bottom. Since we go over printed matter inch by inch it may be clearer to say that the actual ballot was 30 by 36 inches and the possible one is 24 by 18; that the reduction in size would be from $7\frac{1}{2}$ square feet or 1080 square inches to 3 square feet or 432 square inches. It would still be large enough, at that!

The reduced ballot, besides carrying all the names of offices and candidates on the actual ballot, also carries seven little ballots which were handed to the voter on seven little pieces of paper in addition to the blanket ballot given to him, or her, as he, or she, entered the voting booth.

THE GREAT GAIN

However, the great gain is the separation of the candidacies for the other offices from the presidential candidacy, and the clean-cut grouping of all the candidates for each office under the title of that office. True, the party connection of each candidate is designated after his name. But the arrangement invites to voting on the individual comparative merits of the candidates for each office, and that is what is needed.

One of the appeals that can be made to the Illinois legislators in support of the proposal for this form of ballot is the appeal to state pride. As was pointed out by Charles E. Merriam, Chairman of the Political Science Department of the University of Chicago, in a Forum address at the City Club shortly after the 1924 election, the ballot system in Illinois, a modified Australian ballot system, was well up with the times twenty-five

years ago, but to-day Illinois is trailing far in the rear of other states.

As with much state legislation, there is nothing original in the ballot proposals before the Illinois legislators. They merely contemplate that the state draw on the experience of other states where conditions are similar.

"Organization Democrats" and "organization Republicans," of the various factions in both the major parties in Illinois, naturally view this proposed legislation with an eye to its effects on their party chances, both immediate and remote. They figure that in a "Republican year" in national affairs the separate grouping of state and local candidates will favor Democratic chances and that in a "Democratic year" it would favor Republican chances. Since just now we are in an era of republican ascendancy it is probable that this legislation will have to be secured through a combination of votes, —a few by democratic legislators looking for early advantage for their party candidates, but the most by those Republican legislators and Democratic legislators who are ready to let the voters select from candidates on the basis of their comparative merits at all times.

Opposition has come from legislators identified with County courthouse organizations in the "downstate" counties who look for candidates for governor and for president to help them pull through with their party tickets. But since candidacies for local offices in such counties are conducted largely on a personal basis, it may not be too much to hope that the legislators from the downstate counties will soon join with those from Cook county in efforts to make improvement of the form of the ballot one of the outstanding items in the legislative program.

SASKATCHEWAN'S CENTRALIZED SUPER-VISION OF MUNICIPALITIES GIVES SATISFACTION¹

BY J. N. BAYNE

Commissioner of Saskatchewan Local Government Board

Saskatchewan's extensive central control over municipalities is divided between the Department of Municipal Affairs and the Local Government Board. The former guides the general administration, supervises accounts and has charge of all municipal legislation before the provincial legislature. The latter controls borrowings and keeps a watchful eye upon sinking funds. Why two agencies are necessary.

THE department of municipal affairs of Saskatchewan was established in 1908 for the purpose of assisting and generally supervising the municipalities of the province, with due regard always to their delegated powers as self-governing bodies. The responsible minister in charge is known as the minister of municipal affairs. Before 1908 cities and towns were brought into being usually by special legislation and the connection which existed between the provincial government and the municipalities was largely through the department of the attorney general and the department of public works. To the new department of municipal affairs many duties were assigned, an important one of which was to assist in the organization of all urban and rural municipalities, the general conduct and administration of which were placed under the minister. Let me quote a short extract from the Department of Municipal Affairs Act:

Subject to the provisions of the various Acts in force in Saskatchewan respecting municipalities the minister shall have power to make and

enforce regulations governing the methods of bookkeeping, accounting, recording and auditing to be used in the municipalities of the province; and to procure and issue to the said municipalities sample sets of books and forms which he may deem necessary for the proper carrying out of the said regulations; and to make and enforce regulations respecting such other matters and things as shall in his opinion be conducive to a thorough and systematic conduct of the affairs of the municipalities by the treasurers and other officers thereof.

The act empowers the minister to prescribe the qualifications to be held by the secretary of any municipality, but this power has not been invoked in many instances. The municipalities can retain in office only those who are capable.

There are at present in Saskatchewan seven hundred and fifty-five municipalities as follows:—seven cities, eighty towns, three hundred and sixty-seven villages and three hundred and one rural municipalities. When the department of municipal affairs was organized on November 1, 1908, there were only four cities, forty towns, seventy-six villages and two rural municipalities. Thus during the last eighteen years, or since the department was instituted, six hundred and thirty-three municipal institutions have been established.

¹ This article is adapted from an address delivered by the author before the annual convention of the Union of Nova Scotia Municipalities at Halifax.

Not only was the actual organization work heavy, but the budding municipality was necessarily guided on its way in each case. In fact, supervision of our municipalities never ceases, although naturally the older and stronger the units may be the more capable they become in carrying out the purposes of their existence.

Any department of municipal affairs in my opinion should be working in harmony with municipal officials rather than over and above them. This policy is often the keynote of success in a matter of this kind. The department started with the object of giving service and the hundreds of municipal officials in Saskatchewan have understood that attitude. Advice and assistance have been given constantly by the department and while in a few cases it has had to take a strong stand in opposition to some municipal officials, yet on the whole harmony has prevailed.

INSPECTION OF LOCAL ACCOUNTS

Municipal inspectors are an important part of the staff of the department. They do not take the place of local auditors, although they are expected to notice promptly when a special examination of a municipal office is required. They visit at least once a year each municipal office in the province and do not necessarily give notice of their coming. The law regarding them says:

It shall be the duty of every inspector to see that the regulations made by the minister respecting the methods of bookkeeping, accounting, recording and auditing of municipal affairs are carried out by the officers of every municipality.

They examine the records to see if they are up to date, to see if they are neatly kept and to check over possible delinquencies of any kind. The general conduct of the office is looked into and if conditions should be such that a special audit or examination is in the

interest of the ratepayers such is recommended and, no matter what the time of year, a firm of chartered accountants may be asked to investigate thoroughly the records of the office. The inspector does not have time to spend several weeks in the investigation of any office, but makes a general inspection. His report is made in duplicate. A copy is sent to the chief official of the municipality while a copy is filed in the department, which invariably writes to the municipality when the report is received commenting on its contents and giving directions where necessary. It may be found for instance that the secretary-treasurer is neglecting his work. If he persists in so doing the municipal council may be directed to replace him by a business-like official. This is seldom done however as the council is usually quick to take the hint when reports are not satisfactory. Our cities, towns, villages and rural municipalities appoint their own auditors for the regular annual audit. In many instances chartered accountants are hired for this work. However, the fact that municipal inspectors are constantly examining municipal offices (including the work of auditors) has a tendency to tone up the latter.

In case the municipal inspector finds the audit to have been imperfect he may recommend a new audit, in which case the minister may appoint an auditor to investigate the records of the municipality, the cost of the labour to be paid by the municipality receiving the service. When this is necessary chartered accountants are usually engaged for the work. The Department of Municipal Affairs Act states:

The minister may upon the petition of the council or of one-third of the members of the council or, in the case of a rural municipality or village of twenty-five electors or, in case of a town or city, of one hundred burgesses depute

one or more persons to audit the books and accounts of the treasurer of any municipality in Saskatchewan for any particular period; and the cost of any such audit to be fixed by the minister shall be paid by the municipality.

The minister of municipal affairs also may divide the province into divisions to be known as "audit districts" and may appoint one or more auditors to audit the records of any municipality therein situated and may levy against each municipality in respect of which an audit is thus made the amount which he may estimate as the cost of each audit.

From what I have stated you will note the somewhat complete arrangement for keeping in order all municipal offices.

The department of municipal affairs is the centre from which may be secured complete information relative to any municipal institution in the province. Each one of them is required to forward within the first three months of the year an annual financial statement duly audited. This central office with data and statistics regarding all the cities, towns, villages and rural municipalities of the province is of great service to the public. All such reports are carefully checked by the department.

UNIFORM ACCOUNTING ESTABLISHED

The department of municipal affairs is empowered to draft a uniform accounting system for each class of municipalities. Thus the financial statement from one town is in exactly the same form as that from another town and in villages and rural municipalities the same condition applies.

Once a year the minister of municipal affairs submits to the lieutenant governor in council an annual report upon the municipal institutions of the province which is laid before the legislative assembly. It gives a résumé of the activities of the municipal institutions for the previous calendar year. It

gives valuable statistics collected from the annual statements and outlines to the public in clear readable form what municipalities are doing, how their money is being spent and what progress is being made generally.

All proposed municipal legislation either new or by way of amendment comes before the minister of municipal affairs who has charge of it when the legislature is in session.

POWERS OF LOCAL GOVERNMENT BOARD OVER LOANS

And now I will devote a few minutes to Saskatchewan's local government board. It consists of three members appointed for ten years each by the lieutenant governor in council, who are removable by the lieutenant governor on address to the legislative assembly. They are independent of political or any other influence and the decisions of the board are not the decisions of the government.

The primary duties of the local government board are to examine and pass upon any proposal to borrow money by way of debenture on the part of a city, town, village, rural municipality, school district or rural telephone company. Mortgaging the future on the part of the municipality is a serious business and the experience of every province, young or old, has been that the votes of the electors sometimes carry the municipality into trouble, for these votes are often the result of too much zeal and optimism. The proposal therefore to issue debentures when examined by an independent body, free from the rosy outlook so often behind municipal borrowings, and with records of experiences on similar points must mean more safety for those issuing the debentures as well as for those purchasing them.

An application to borrow money by way of debenture comes before the

local government board. It is scrutinized thoroughly, the financial ability of the municipal institution is investigated, the necessity of the work is examined and the reasonableness of the whole proposal is gone into thoroughly. The existence of a local government board or a similar tribunal, call it what you will, inspires confidence in the minds of the prospective investors and means lower interest rates for the issuing authority. Previous to 1914, when the board was created, cities and towns by their own votes decided, as in the older provinces, from time to time, whether or not they would undertake a loan. The optimism to which I referred above was leading some of them into trouble. It was expected of the board that it would assist in the sale of municipal securities and this duty is being performed. The board will not countersign a debenture unless it is shown that such debenture is sold at a satisfactory price. Thus no local authority, no matter how inexperienced in financing, can be imposed upon, because the services of a body whose duty it is to keep in touch with prevailing market rates are available.

WHY TWO SUPERVISORY AGENCIES ARE NECESSARY

Some may ask, however, why the necessity of a local government board when you have a department of municipal affairs? I think I can explain this in a few words, although I can understand that a department of municipal affairs might include within its duties the work of a local government board.

A department of the provincial government, in giving a decision, expresses nominally at least the will of the government but a board or a commission has a more independent status. Some say, and I am not going to comment on the statement, that govern-

ments are sometimes prone to pass to a commission or board the disagreeable work. Now the turning down of an application to borrow money, from a city council or other local authority, may not be a pleasant task, and local politicians may object to the ruling if made by a body not independent of politics. The rejection or modification of the application, however, is probably in the interests of the city itself, although time only will prove it.

The board may supervise any work undertaken by a local authority and has wide powers in securing information on all matters connected with municipal activities. Some may think that the powers of the local government board are too wide. One answer is that the creation of the board was asked by The Union of Saskatchewan Municipalities in the year 1912 at its annual convention.

SINKING FUNDS

Another function of the board has to do with sinking funds. You all know how easy it is for those in charge of a sinking fund to make poor investments from the monies standing to its credit, and mistakes in this regard have been made in practically all our provinces. In Saskatchewan, no city or town or town school district can invest any of its sinking fund without first securing from the local government board, authorization to do so. We are particularly careful as to the class of investments selected for this purpose. Not in any case is a part of a sinking fund allowed for investment in real estate or mortgages. In fact, we are so careful that some railway bonds, although guaranteed by a government, have been turned down as an investment. It will occur to you that, where guarantees are necessary, delays in the meeting of instalments are quite possible.

The law in our province provides that the local government board may take over the entire management of a sinking fund and this provision has proved of benefit in more than one instance.

The law provides that when a legal or equitable owner of a portion of a subdivision desires to cultivate, along with his own lands, the balance of a subdivision, he may make application to the local government board for permission to do so. Notices of a hearing are issued, and if no valid objection is taken to the temporary occupancy for cultivation purposes of the rest of the subdivision, permission to use the same for growing crops of some kind is

issued by the local government board. The purpose of this portion of the statutes was to have used for some useful object areas too often held for speculation at the limits of urban centres.

The board is also charged with the administration of the "blue sky" legislation. In 1915 the legislature of Saskatchewan passed what is known as The Sale of Shares Act, which provides that, with certain statutory exceptions, no company, syndicate or association, may offer for sale any shares, stocks, bonds or other securities until it first obtains a certificate for the purpose from the local government board.

SOME PRINCIPLES TO GUIDE COMMUNITY ZONING

BY CHARLES K. SUMNER

Member City Planning Commission, Palo Alto, California

Retail business constantly tends to invade homes, which it is the first task of zoning to protect. How can we measure the reasonable demands for new business districts in a growing community? :: ::

1. THE PURPOSE OF COMMUNITY ZONING IS TO SECURE RIGHT RELATIONS IN THE USES OF LAND.

THE advantage of community life consists largely in the availability of numerous highly specialized goods and services, involving widely different uses of the land. There would be no need for community zoning but for the fact that these uses, while highly co-operative and interdependent, are more or less incongruous with each other, as are the uses of rooms in a house. There would be no need for zoning regulations were it not that the interests of individuals and groups of per-

sons in these uses are frequently in conflict; for in the nature of things some uses are sensitive to injury and depreciation by others. Right relationships in the uses of land accordingly dictates the segregation of incongruous uses in suitable districts, and such arrangement of these districts as will minimize injury and depreciation. Beyond question such exercise of the community power justifies itself both in promoting order, solidarity and convenience in community life, and in the general conservation of improvement values.

In seeking this right relationship in the uses of private land it is necessary

to distinguish carefully between their characters, relations and kinds of contact, and to determine if possible their relative importance. Intelligent zoning calls of course for the consideration of many other elements which are beyond the limits of this paper.

A first broad distinction in this direction may be made between dwelling and working uses of property. Working uses may be classified in turn according to the character of activity, product and market, which factors determine their preferable locations relative to other uses. Industry, wholesale trade, storage and like activities look to easy transportation and cheap land rather than to competitive locations, and do not necessarily press upon the more highly utilized districts where they would be most objectionable neighbors. Retail trade on the other hand, with its lesser depreciating features follows closely upon the residence districts which provide its chief market, competes actively for locations tributary to them and thus gives rise to the most frequent and vexatious problems of zoning.

Within this limited range of residential and commercial districts, to which this paper will be confined, a further general distinction lies in the degree of intensiveness of property use, which is normally reflected in money values. The land which is used by the fewest individuals per unit of space is of course the residential area and on the average it is worth the least in money. Next comes the property more closely utilized for double or group houses and higher still the land built over more or less completely with apartments or flats. At the extreme of intensive use and money value are the central properties of retail stores, which serve hundreds of families every day. Which among these various kinds and degrees

of use shall be taken as the starting point, as being of basic importance in zoning?

2. THE USE OF PROPERTY FOR FAMILY HOMES IS OF BASIC IMPORTANCE IN COMMUNITY ZONING.

The first duty of citizenship is the nurture of the family and the preparation of the young for the responsibilities of life. For these purposes a great variety of goods and services are required, and many specialized and costly facilities,—industrial, commercial and other—for their production and supply. But however indispensable these may be to the comforts and conveniences of community life, from the wider point of view they are not properly an end in themselves but are in fact only means to the end of discharging the obligations of good citizenship. It is recognized also, by the courts as by the public at large, that the environment of the family home contributes vitally to this end and is by all means to be fostered and preserved. As between business and residential uses of land therefore, this means simply that business exists primarily for the service of the home life of the community, not the community for the support or encouragement of its business.

A lesser degree only in social importance attaches to the more intensive uses of apartments and flats which are better adapted to adult occupation and with which the kind of environment suitable for the young is ordinarily lacking. These also are necessary to community life. As a class they are more or less incongruous with family home districts, since they break the solidarity of a neighborhood and impair its character, but on the other hand they are nevertheless homes, and as such must be granted due preference over business uses.

3. HOME DISTRICTS SHOULD BE WELL SHIELDED FROM INCONGRUOUS USES.

Zoning is based upon the fact that incongruous uses depreciate land and improvement values, lower uses, so-called, depreciating the higher. Nevertheless this is not always sufficiently recognized, particularly where the expansion of business into residential districts is proposed. It is natural that the highest use should be the most susceptible to depreciation and hence, necessarily, that home districts should call for the most careful protection. This is ordinarily afforded by interposing multi-family dwellings, flats, apartments and boarding houses between the main residence and business districts. These intermediate zones should themselves be graded so that only the least incongruous and depreciating uses will be in contact. Naturally they can not serve the purpose either of protection or of utility in themselves unless they are reasonably adequate in width. Their effectiveness for neither of these purposes should be sacrificed to the expansion of the business area except under pressure of obvious need.

4. PROTECTION TO HOME DISTRICTS SHOULD BE ACCORDED IN PROPORTION TO THE VALUE OF THE IMPROVEMENTS.

The higher the standard of value in a home improvement the greater will be the prospective loss by depreciation, the more sensitive to its influence the property will be and the greater the distance from which injurious influences will be felt. Home improvements of higher value should therefore be protected by greater distances from business districts. This requirement is usually anticipated by personal judgment and private restrictions, but occasionally it needs to be respected by the community in the process of zoning.

This special recognition of value and permanence is not inequitable or undemocratic: It does not favor the mansion as against the cottage. It does not imply that low-cost houses are entitled to less protection than others, but recognizes merely that they require less and are less sensitive to depreciation.

5. PREMATURE DEPRECIATION OF RESIDENCE IMPROVEMENTS SHOULD BE PREVENTED BY THE REASONABLE RESTRICTION OF BUSINESS DISTRICTS.

The natural tendency of retail business to follow and press upon the residence districts gives rise to prospective business values well outside the area actively employed for trade and makes this zone attractive for speculation and for a lower grade of business improvements. Such activities necessarily subject the better home improvements of the neighborhood to abnormal and premature depreciation and this influence is felt to a considerable distance beyond. Zoning protection of these residence districts is thus adverse to the desires of owners, dealers and speculators in this class of quasi-business property, and great pressure is frequently applied to relax its restrictions. Decisive choice should be made between these conflicting demands; and if the residential interests are to be duly respected the strict limitation of the business area must be frankly faced. For right relationship between these uses involves reasonable proportion of area as well as good order in arrangement. It requires therefore that the area devoted to business services shall at no time be extended beyond the reasonable and normal community demand.

How shall we determine this demand?

Careful business surveys of various communities have disclosed that there is an approximately balanced relation between the number of retail enter-

prises and the population, and that this relation is more or less constant within limits apparently determined by the character of the community and the extent of its markets. Such a survey continued year by year will afford a convenient and dependable indication, if any is called for, as to whether or not a community is normally provided with stores. Complaint that there is a shortage of stores, that enterprise is being discouraged and that business is being throttled for lack of space can thus be duly heeded or otherwise disposed of.

Even though the normal requirement for stores be well satisfied, there will still be demands for large area to provide for future expansion. But there is no obvious advantage to the community in keeping any large additional supply of business sites on the market, especially if the purpose of zoning will be defeated thereby. The maintenance of a relatively small reserve area will preserve the balance of supply and demand as well as a large one, and will minimize the injury which zoning is intended to prevent.

6. THE INTERESTS OF A COMMUNITY DO NOT ORDINARILY CALL FOR A RELATIVELY LARGE OR EXTENDED BUSINESS DISTRICT.

The business service of a community is reasonably complete and satisfactory if it offers convenience to the shopper, variety of offerings and reasonableness of prices. None of these advantages necessitates a relatively large or extended business area.

Convenience in shopping is a matter chiefly of access and circulation. Access depends upon transportation, and increasing ease of transportation tends to the further concentration of business. The growing appreciation of the value of residential zoning tends in the same direction and against the estab-

lishment of business sub-centres or, where they are considered necessary, toward their restriction and aesthetic control. As to convenience of internal circulation, that business district is always considered best in which the largest number and variety of stores are found within the shortest radius.

In a small community or neighborhood centre the variety of stores will be relatively small; in a larger shopping centre retail business will be highly specialized and the variety of goods and services will be much wider. It would seem also that a larger number of stores will be required relative to the population and consequently a larger proportion of street frontage. But with this increase of variety and specialization business also becomes highly intensified, concentrated and departmentalized, so that the relative requirements of space appear to be about the same or may be actually diminished.

One of the arguments occasionally employed against the restriction of the business area is that an artificial site monopoly is being maintained and excessive rents are being exacted which are charged to the public in extortionate prices. This calls for a careful survey of the facts, which should usually be sufficient, or some thought of the economics of retailing.

Rentals of retail stores, as a part of the cost of selling goods, should range from four to ten per cent of selling prices. To argue, however, that an increase of rents will increase prices is to put the cart before the horse. Prices can not be raised at will by those who expect to remain in business. They are determined by a nation-wide competition in efficiency of production and distribution, culminating locally in the struggle for trade which tends to reduce profits and prices on individual items for the sake of larger stock turnover. In this process retail rentals are but a

single item of expense, and they in turn are determined, not merely by what the landlord demands, but by what a business suitably located and efficiently managed, can afford to pay and still yield the proprietors a reasonable profit. High rentals and land values therefore, are not an indication of artificial site monopoly, nor are they necessarily or ordinarily associated with high prices; they are simply the reflex of intensive business.

There is, of course, a natural monopoly of sites where the best business can be had and the highest rentals earned, in the centres where purchasing traffic is concentrated. But the inherent values at these centres are based entirely upon higher earning power, and if this were impaired by the diversion of traffic there would certainly be no occasion for reductions in prices. Extensions of the business district moreover are not likely to disturb these peak values, which are fairly well protected from sudden change.

7. THE FORM OF A BUSINESS DISTRICT SHOULD BE PREDETERMINED BY PROVISION FOR ITS TRAFFIC.

Other things being equal, the ideal form of a business district appears to be more or less compact, as offering the greatest internal concentration and the shortest perimeter of contact with residential and other uses. Ordinarily, however, such a form cannot even be approximated, although natural conditions may permit, because of inadequate and faulty circulation. The reasons for this condition are simple. Our streets were not proportioned for the volume of traffic which they now bear, nor were they planned for its convenient or economical distribution. Old highways, cross-roads and ambitious "main streets" emerged somewhat wider than the others, and the natural flow of traffic to these avenues

has alone determined the general outlines of our business districts. The best formed and most convenient of these are found, and but rarely, about the intersections of radial thoroughfares; the worst formed and most inconvenient and inefficient are those excessively elongated districts stretched out along one principal avenue. Inevitably all the other streets are narrow.

The only corrective of these conditions is constructive planning and street-widening, both to facilitate traffic circulation and relieve congestion and by distributing and directing it externally as well as internally to improve the form and convenience of the business district.

This mere suggestion of the relations of traffic to business zoning shows that the work is only begun when the requirements of business service have been calculated and the approach to an ideal form worked out. Under the conditions confronting us corrective thoroughfare planning of a bold and drastic nature must accompany the zoning of business districts, and large but ultimately profitable expenditures must be faced in carrying out the necessary improvements.

8. THE RATE OF EXTENSION OF A BUSINESS DISTRICT SHOULD BE REGULATED BY THE RATE OF COMMUNITY GROWTH.

If, as has been found, there is a normal demand for business space which remains more or less constant in proportion to the population, it only remains to observe the rate of community or business growth to determine approximately the rate of extension of space which will be required. If for example, the number of stores or amount of occupied business frontage has been increasing at the rate of five or six per cent per year, as will be found

normal for a fairly swift-growing community, there will be no apparent reason for accelerating this rate of increase of business space and pushing out prematurely into the residence districts. The best of reasons point the other way. The extensions of business zones therefore should be made circumspectly step by step, and, even, if special conditions require, lot by lot in order that depreciation may be minimized and the greatest values may be conserved.

9. THE PURPOSE OF ZONING IS BEST ACHIEVED BY A CONTINUING RATHER THAN BY A SPASMODIC PROCESS.

If it is the purpose of zoning to secure right relations in the uses of real property, then the elements entering into these relations need to be adjusted with the growth and change of the community. Now the growth of population and the changes it brings are more or less continuous and not sudden or spasmodic. There is thus no justification for spasmodic zoning, either of the nature of repairing neglect and delay or of premature and extensive change. The benefits involved in zoning are of far greater moment than temporary convenience, civic ambition or conformity to some future ideal. It may seem more convenient to go through the official procedure at long intervals, and hence to zone large areas at a time, but the maladjustments inherent in this method make it difficult as well as questionable, while more frequent and smaller adjustments can be effected as a matter of routine and without disturbance of values and consequent opposition. A yearly zoning program should be just as reasonable and practicable to carry out as a yearly program for paving and service extensions, for it has the same object, viz., to serve the growth of the community.

At the other extreme from neglect and delay and waiting upon convenience, probably the most egregious abuses and excesses arise from the confusion of zoning with city planning. Planning properly projects itself far beyond present conditions and limitations, while the benefits of zoning are meant to be enjoyed here and now as well as to continue. It is not only praiseworthy but necessary to visualize the greater city of the future, but it is destructive of community values to impose its proportions upon present conditions which they will not fit. In so far as zoning is premature, therefore, it will defeat its own purpose, and to that extent will be equivalent to no zoning at all.

10. ALL ZONING SHOULD BE GUIDED BY A COMPREHENSIVE PLAN.

Zoning in its best sense, in the language of the supreme court of California, "looks not only backward to protect districts already established but forward to aid in the development of new districts according to a comprehensive plan having as its basis the welfare of the city as a whole."

It is impossible to look forward without a plan. It is only by reference to a definite and comprehensive plan of future development, drawn and published for all to see and understand, that a consistent policy of progressive zoning can be worked out, public uncertainty and distrust removed and waste and depreciation minimized. Naturally such a plan cannot now be complete and final, for it must be adjusted to developments which we are unable to foresee. But it will indicate the course which zoning must follow step by step if it is to serve its wider purpose of shaping the city of the future, as well as the constant and present purpose of promoting the general welfare.

THE FATE OF THE FIVE-CENT FARE

V. CINCINNATI'S SECOND SERVICE AT COST PLAN MAKES CITY AND COMPANY PARTNERS

BY LAURENT LOWENBERG

Consulting Engineer, Cincinnati

A comprehensive service at cost franchise, in effect last January, seems to have brought a new and healthy spirit to those engaged in Cincinnati's transportation service. The street car fare is now ten cents, three tickets for a quarter; the bus fare is ten cents straight, with universal transfers between street cars and buses. The city's control over service is complete. :: :: :: :: :: :: :: ::

THE same influences which ten years ago caused the electric railway industry to make a nation-wide appeal to federal, state and municipal governing bodies for help to stave off the impending doom were also affecting the operations of the Cincinnati Traction Company.

FIRST SERVICE AT COST PLAN ADOPTED IN 1918

Necessity was aided by opportunity, for the motive which prompted a revision of the franchise at that time was the fact that the Cincinnati Traction Company was operating under the Roger's Act, granted in 1896 for a term of fifty years, which contained a provision that its terms and conditions should be open to revision at the end of twenty years and each fifteen years thereafter. So that the matter of revision was naturally the subject of negotiation in 1916. At the time, the rapid transit commission had just begun to function and an ordinance was drawn up in council revising the old franchise and containing a lease to the Traction Company for the operation of the proposed rapid transit system. This ordinance was completed in 1917 and was ratified by the people at an election. However, the plan was defeated by a decision of the

Ohio supreme court which held that the new ordinance was invalid on the ground that it contained a provision for lending the city's credit to a private company. The delay incident to the litigation over this matter extended also to the revision of the fares, and it was not until 1918 that the franchise was revised and the first service at cost plan adopted.

It would lead us too far afield to enter into a detailed discussion of the original plan, but a few points may be of interest.

In the first place, the original contract was not based upon a valuation of the property, but rather on a recognition of the then existing fixed charges of the Cincinnati Traction Company, including its obligations to the Cincinnati Street Railway Company. This basis of settlement was arrived at after three separate appraisals had been made of the property. One by the company, one by the public utilities commission of Ohio, and a third by an engineer employed by the city. The capitalization finally settled upon was approximately equal to the reproduction cost valuation made by the state commission, but was double the depreciated value as arrived at by the city's expert. Under this contract the

city could take over the property any time upon the payment of the sum of \$26,238,950 plus any proportion of the reducible debt outstanding at the time, plus the amount necessary to retire the car trust notes outstanding at the time of the purchase, plus the amount necessary to retire the then outstanding securities issued for the reserve fund or for capital expenditures, plus any and all accrued and unliquidated deficiencies at the time of such purchase; minus items such as depreciation, insurance and sinking funds and working capital or reserve funds.

If this plan had any merits at all it was hampered by the fact that it started off with a five-cent fare, which was lower than it should have been at that time because of the high cost of labor and material incident to the war. However, the five-cent fare was adopted as a means of forestalling a referendum which was threatened (at that time) by those opposed to a higher fare.

Another item of interest was the reserve fund of \$250,000, which in the new service at cost plan is called the "fare control fund." After this fund has been built up to \$400,000 those surplus gross receipts, remaining after the payments provided for in the contract, were to be divided between the city and the company in the following proportion, depending upon the rate of fare being charged at the time.

If the fare for adult passengers should rise to more than six cents, the reserve fund was to get all of the surplus gross receipts: if the fare was six cents, the fund got 80 per cent and the company 20 per cent of the surplus: if the fare was $5\frac{1}{2}$ cents the fund would get 70 per cent and the company 30 per cent: if the fare was five cents or less the fund would get 55 per cent and the company 45 per cent. It is needless to say that, during the life of the first service at cost plan, there were never

any additions made to this reserve fund. The idea, however, was that, although the control of the operation was in the hands of the city director of street railroads, there should be an incentive to the company to operate as economically and as efficiently as possible and should receive some extra reward for such service.

CITY MAKES NEW DEMANDS

Operation under this service at cost plan was not satisfactory and the situation soon became acute. In January, 1922, the mayor, the director of street railroads and the chairman of the committee on street railroads of the city council, addressed a communication to the Cincinnati Traction Company, insisting that it should endeavor to accomplish the following:

First—A readjustment or scaling down of the capitalization.

Second—A readjustment or consolidation that would result in a single corporation.

Third—A divorcement from the resulting single corporation of all activities not directly concerned with the electric railway system.

The local transportation system, owned by the Cincinnati Street Railway Company, was in February, 1901, leased to the Cincinnati Traction Company. The Ohio Traction Company was later organized to hold the stock of the Cincinnati Traction Company and to do all the financing. The Ohio Traction Company also organized and owns the Cincinnati Car Company, an industry manufacturing street cars, and an office building known as the Traction Building. It has also leased the property of the Cincinnati and Hamilton Traction Company.

Including the city officials above mentioned, a committee of seventeen was appointed by the mayor for the purpose of investigating and reporting

on the traction situation. After several years of negotiation, the Cincinnati Street Railway Company and the interests connected with the Cincinnati Traction Company finally reached an agreement, after which time it was necessary to negotiate for a new franchise. The new franchise was passed by council in August 1925, but was vetoed by the mayor. The ordinance was again passed by council over the veto of the mayor and went into effect on November 1, 1925.

The main differences under the new arrangement and the old franchise are as follows:

First—The transportation system is owned and operated by the Cincinnati Street Railway Company whose interests are confined entirely to the single purpose of providing urban transportation. So that no doubt much benefit will accrue because of its simple corporate existence and direct relation to the local investing public.

Second—The company is no longer operating under terms granted in the Roger's Law, but under the new franchise which runs for a term of twenty-five years.

THE NEW FRANCHISE GRANTED IN 1925

An understanding of the present street railway situation would be aided by a digest of the more important sections of the new franchise. This ordinance grants to the Cincinnati Street Railway Company a renewal for twenty-five years of the right to maintain and operate street railways, and the company on its part agrees to provide adequate, convenient and safe service and keep the system in good repair.

Section 5 is intended to provide that the city shall have the right to obtain for the public, the quality and quantity

of service that is necessary for the convenience and comfort of passengers, and to this end it accepts the responsibility as to the rate of fare which will result from the company carrying out such orders. On the other hand the company shall have the right to receive fixed charges, and a return on the capitalization agreed upon, and it in turn accepts the responsibility for operating the schedules and providing the quality and quantity of service ordered by the city. The limitations which are put upon the city in the exercise of its control, is a recognition of the amount of the capitalization agreed upon and the fixed return thereon, and that the right of the company to properly maintain its property needed for public service shall not be impaired. The limitation put on the company is that, since the fixed return on its capital shall be certain and safe, any earnings in excess thereof shall be applied either to the reduction of fares, the reduction in capitalization or the improvement of service, instead of as heretofore, partially at least, helping to increase the company's dividends.

The city's control is vested in a director of street railroads and motor buses. He has the authority to designate stopping points, to require the company to order new equipment or equip its cars with modern improvements necessary to the convenience, comfort and safety of the passengers and specify changes in schedules and routes. He also has the power of inspecting the accounting of the company, including the application of the gross receipts. He must also approve contracts for the purchase and sale of power, leases of other lines, grants from other municipalities, arrangement as to the operation of any rapid transit system, etc. He or his assistants or any experts representing him, shall have the opportunity for inspecting all

the property of the company and auditing all receipts, disbursements, books and other documents in any way affecting the ownership or operation of the system.

If the company feels that any order of the director is not in keeping with the letter or status of the ordinance, it may appeal from his decision to a board of arbitration. The board of arbitration is made up of one representative appointed by the street railway director, another by the company and the third by the sinking fund trustees.

On December first of each year a budget for the ensuing year is made up by the company showing the estimated gross receipts, operating expenses, taxes, fixed charges, etc., which must be approved by the director. The expenditures for the coming year must be controlled by this budget, except if the amount is insufficient to enable the company to comply with all orders of the director, the latter shall increase the allowance. Any disputes arising therefrom are referred to a board of arbitration.

The expenses of the office of the director of street railroads are to be shared pro rata between the city and the company, but payment by the latter shall not exceed \$15,000.

Rentals for the use of all viaducts are provided and in the aggregate amount at present to \$6,500 per annum.

The accounting system used by the company is the standard classification of accounts, adopted by the Interstate Commerce Commission. The company can make no charge to capital account for any additions paid for by the city or any donations made to the company. The company must keep a continuing inventory of all its property and cannot dispose of any of it without the approval of the director.

DEPRECIATION AND AGREED CAPITALIZATION

From the date that the ordinance became effective to December 31, 1929, a special depreciation fund amounting to \$1,750,000 is to be set aside from the gross receipts. Under the former operation no fund was provided for depreciation and the amount above mentioned is to provide for depreciation which has occurred in the past. The sum shall be expended prior to January 1, 1930, and if the fund is not sufficient to bring the tracks and overhead construction into the proper condition, the director may require the company to set aside an additional depreciation fund for current accruing depreciation, it being felt that the amount needed for the above was so large as to make any further amount a burden at present. At the expiration of the period referred to, the company and the director will agree on an amount sufficient to take care of current depreciation.

Section 14 deals with the agreed capitalization and possibly this item took up more time of the various interests involved in the controversy than any other single matter. The initial capital stock at the beginning of the operation of the ordinance is agreed at \$22,761,950. This sum is made up of \$18,511,950 which represented the outstanding common stock of the Cincinnati Street Railway Company and \$4,250,000 which was issued in part payment for the purchase of the interests of the Cincinnati Traction Company and the Ohio Traction Company. Under this section there is also provided a capital stock retirement fund amounting to \$3,000,000.

The \$3,000,000 capital stock fund is a compromise on the part of the Traction Company and the city officials in the final decision as to the proper amount of capitalization. The

city officials seemed to think that \$25,000,000 was the proper amount of capitalization while the company officials said \$28,000,000 was the minimum amount they could accept and so it was finally agreed that a fund should be set aside for the purpose of retiring \$3,000,000 of the capital stock and thus eventually bringing the capitalization to the desired amount.

The capitalization agreed upon in the ordinance is not only for the purpose of determining the fixed charges which the company is permitted to earn before increasing or reducing fares, but also to establish a figure at which the city can under certain conditions purchase the entire system. Even in this latter case the amount of capitalization is not of great importance unless the city has adopted a policy or well-defined plan which at some time in the future may eventuate in their acquiring the property. However the capitalization is of very great importance in establishing the credit of the company, which, as is well known, is all but obliterated for most of the traction companies in the country today.

THE FARE CONTROL FUND

There is also a fare control fund amounting to \$400,000 obtained through the sale of securities. The way this fund operates is as follows: On the fifteenth of each month the company files with the director of street railroads a statement of its gross receipts, operating expenses, etc. Whenever this statement shows a deficit, such deficiency is paid out of the fare control fund. When this fare control fund contains less than \$200,000 the rate of fare shall be increased the following month by one-half cent, while on the other hand if the fare control fund exceeds \$600,000 through having had paid into it the surplus

income from operating expenses, the fare is reduced one-half cent. After an increase or decrease in fare has been made, no further change is permitted for at least three months. It may be interesting to note that an extra charge may be made on all owl cars or cars operating between midnight and 5 A. M.

The city has the right on the thirty-first day of December of any year, to give one year's notice in writing to purchase the entire system for the aggregate par value of the capital stock and reducible debt.

The return allowed on the capital stock is 5 per cent a year for the first three years and 6 per cent thereafter.

The company agreed to purchase the Cincinnati and Hamilton Traction Company at a price of \$1,000,000. This deal has been recently consummated and is now included in the property of the Cincinnati Street Railway Company and in the capitalization of \$28,000,000. The receipts for the entire road and its operating expenses and charges are included in the operating expenses and charges of the whole system. The receipts of this road within the limits of the city are more than the pro rata share of its expenses, but the entire road at present is being run at a deficit.

CITY AND COMPANY ARE PARTNERS

These are the main factors in the ordinance which affect particularly the relations between the company, city and car riders. It would seem that the franchise practically puts the city in control of the transportation system. Nothing can be done either in the operation of the transportation system or its accounting which is not under the city's inspection and control at all times. In other words, the city and the street railway company are partners.

Service at cost plans have not been in operation in this country for a suffi-

ciently long time to arrive at any definite conclusions. But it seems, from the study of all the plans tried over a period of years, that the local plan is probably one of the most flexible that has so far been adopted.

An analysis of the problems involved would lead to the conclusion that the means for providing a plan which shall secure sound regulation and control should include the following:

First—The total capitalization upon which the company in justice to both investors and the public, shall be allowed to earn a fair return.

Second—The establishment of a system of charges for service by which rates will automatically increase or decrease, so as to yield at all times sufficient revenues to meet all the payments specified in the plan, including the necessary and protective reserves.

Third—Power of regulation by the proper authorities in respect to all matters affecting conditions and character of service including extensions, improvements and betterments.

Fourth—The utility should be permitted to operate on the so-called indeterminate franchise principle and be subject to regulation in respect to accounts, capital, investments and other matters.

Fifth—The plan should set forth for the right of the municipality to purchase the property at a price definitely established.

Sixth—The car riders should be relieved of the necessity of paying for taxes and special charges and assessments as part of the cost of transportation.

It is generally believed that most of the above provisions, at least the more important ones, have been incorporated in the local service at cost plan.

RELATIONS WITH EMPLOYEES

One of the faults inherent in the service at cost plan is the matter of treating with labor. It has been brought out that, as the fare must take care of all operating expenses, the company would not put up a very stiff fight against a demand for an increase in wages because it would be absorbed by the fare anyway and would not affect the rate of return on the capitalization. It must be remembered that the city does not operate the property, it merely regulates it, so that in case the company granted an increase in wage, the city through its proper official could only refuse to allow the company the money with which to pay these wages and if the company insisted, the case in question would then be sent to a board of arbitration.

The relation between the company and its employees is one of great importance. In the past this labor has been considered in the light of other commodities, the company treating the subject of wages in much the same manner that they handled the matter of prices of materials. More intelligent, loyal and efficient employees would have a tremendous effect in placing the railway company in favor with the public, and here lies the opportunity for real constructive work. While the positions of motorman and conductor would not be classed under the heading of skilled workmen, the job is a very attractive one. It is not subject to seasonal influence and an employee who performs his labor properly can hold his job year in and year out without any fear of being laid off because of industrial depression. The company must realize that its greatest asset is an efficient, loyal and competent personnel and that only by organizing such a force and through sincere coöperation between company

and employee can the industry be restored to public favor.

NO SLIDING SCALE

It may be noted that the plan does not include a provision whereby the street railway company is given the opportunity of participating in the benefits resulting from economy, efficiency and initiative so as to induce the greatest efforts on the part of the utility.

It is another weakness in the application of the cost of service theory that it does not properly differentiate between what are efficient and inefficient costs and it is therefore difficult if not impossible properly to reward or penalize the company. Even where a reward is provided it should go to the officials who are directly responsible for the economies and not to the company to be distributed to the stockholders who were in no way responsible for the efficient management. But whatever provision may be made for rewards for efficiency according to an established schedule, it is so difficult for the city officials and the company to be in agreement as to the proper amounts to be expended for maintenance and betterment and similar expenses, that there always arises in the minds of the public a suspicion that the company is skimping the service in order to gain the reward. When the railroad officials can be made to realize that they are really servants of the public, entitled only to a fair but guaranteed return on the money that they have invested, pride of operation will bring its own reward and insure an efficient management without the need for financial incentives.

BUSES

A condition cutting deeply into the revenues of the company was the entire absence of regulation of independent bus companies by council, and in conse-

quence they sprang up like mushrooms. In October 1925 the first ordinance was passed by council providing for the regulation of motor transportation companies and others engaged in the business of carrying passengers for hire. Coincident with the granting of the new franchise to the Cincinnati Street Railway Company a second franchise was negotiated permitting it to operate buses, as this right was not included in the company's charter. The company is now operating a number of bus routes which have been acquired through purchase or started at the suggestion of the director of street railroads into territory which had not been adequately provided with transportation service.

NEW PLAN PROMISES SUCCESS

Cincinnati's second service at cost plan has only been in operation since the first of the year and therefore not sufficient time has elapsed from which to draw accurate conclusions as to the benefits which have resulted. It is plainly evident however, that an entirely new and an apparently healthy spirit is animating the various interests in their handling of the local transportation problem. The fare on street cars is ten cents, three tickets for a quarter. The fare on the buses is ten cents straight. Universal transfers are given on street cars and buses within the city limits but transfers are given for buses outside of the city limits only when a ten-cent fare has been paid. The director of street railroads is conducting his department in a thoroughly capable manner and with an unbiased viewpoint. He is approaching the problem with an understanding that the interests of the car riders as well as those of the company must be conserved if the best results are to be obtained.

However the greatest change is to be seen in the attitude of the company.

The old methods of the "soulless corporation," a term well suited to former electric railway companies, are gone and in their place has come a policy of giving the public a square deal. The company has, for example, placed a new line of cars in service connecting all the depots and hotels. This route is travelled by a particularly attractive new type of car providing comfortable leather covered seats and with special and ample space to take care of all hand baggage. The company is attempting to increase the use of its service through advertising in the cars, explaining the aims of the company, the advantages to be obtained by riding on the cars, and in general popularizing the idea that the company and the city are partners in the enterprise. They have adopted the wise policy of withholding nothing from the public and in numerous addresses made before various organizations in the city, the company officials have concluded their talks with the statement that they would be glad to answer any questions. The general public attending these meetings has been impressed with the open-mindedness and directness of the replies to

their questions. Each month since the beginning of the year the company has shown a slight profit above operating expenses sufficient at least to make it likely that no increase in fares is anticipated in the near future. The statement of earnings is published monthly in the newspapers.

A continuous study is made of the possible economies which may be effected in operation. At present sixty per cent of the power required is purchased from the local power company. Arrangements have been completed whereby all the power will be supplied from this source and in consequence all the company's power plants and substations will be shut down.

No plan involving the conduct of human relations can be devised which of itself will insure successful results. Even a good plan can only be made effective if all those who are interested in its success will interpret its application in the proper spirit. With coöperation between all parties interested in the contract, it is believed that the present service at cost plan furnishes the mechanism for satisfactory urban transportation.

COMPARATIVE TAX RATES OF 215 CITIES, 1926

BY C. E. RIGHTOR

Detroit Bureau of Governmental Research

In a majority of the cities the trend of the general property tax rate continues upward. How does your city rate with the others? ::

THE primary purpose of this tabulation is to make available a summary

ED. NOTE.—For the fifth consecutive year, the REVIEW publishes a table of comparative tax rates, prepared by Mr. Rightor with a commentary thereon. The interested reader may make comparison with former years by referring to the REVIEW for December of each year.

statement of the total taxes levied against property during 1926, in the larger cities of the United States and Canada.

In reporting this total tax, it is desired also to show the major governmental units for which the taxes are levied—city, school, county and state

—per \$1000 of assessed valuation; the valuation against which these rates are applied, and the division of this valuation as between real and personal property; and, for comparative purposes, the tax rate adjusted to a uniform basis of assessment of 100 per cent.

Further, an attempt is made to indicate the actual tax burden in each city by estimating the percentage of legal basis of valuation actually applied in assessing property, with the resulting tax rate per \$1000.

The cities are listed in order of population by the five census groups, the population being the census bureau estimate where available, and otherwise by a state census or local estimate. It is realized that deductions upon the basis of these population figures, however, without consideration in each instance, may do an injustice to certain cities.

IMPORTANCE OF PROPERTY TAXES

It is generally recognized that, for local governments, real property taxes constitute, ordinarily, from two-thirds to three-fourths of all revenues. It would seem that taxpayers and public officials in any city should be able to learn easily and readily the facts with respect to current property taxes in their own city, and how they compare with other cities. As cities grow and their governmental costs increase, this is a subject of genuine interest to home owners and factory owners.

This tabulation is designed to answer that enquiry, and, like the compilations of previous years, is concerned only with the taxes on property. The itemized rates are reported, but their value is limited, owing to the diversified laws and practices obtaining within the several states and the Canadian provinces. The figures may not be safely used for conclusions unless the detailed facts in the case of each city are given consideration. They do not serve, for

example, as an index to the extent or adequacy of public service or of economy of administration. In almost any city, there is a wide divergence between the total revenue from property taxes and the total appropriations or expenditures, owing to the development of other sources of revenue.

One of the first difficulties of tabulating the itemized rates is that in some cities there are various rates for several classes of property. Examples of this kind are Philadelphia, Baltimore, Pittsburgh, the Minnesota cities, and those Canadian cities having two school rates.

In numerous cities, there is a single total budget for all purposes, from which are deducted the revenues from all sources other than taxation, leaving a net amount to be levied against property. Unless these miscellaneous revenues are definitely allocated to the several governmental units, the separation of the rates can be only an estimate. The city and school budgets are commonly totaled, without attempt to separate the rates.

The development of metropolitan districts, for such purposes as parks, sanitation, water, port, etc., tends to complicate the presentation of the data. Unless otherwise noted, however, such district rates are included with the city rate, upon the assumption that ordinarily the city would require a levy for these services.

Instances are found where the unit levying a tax receives no benefit from it, but distributes it to other subdivisions. In Ohio, presumably to circumvent a tax limit law which is choking the cities, the state levies a school tax of \$2.65, but as this is locally collected and distributed, the rate is tabulated as a school tax. In New Jersey cities, on the other hand, a similar tax is tabulated herein as a state levy. Thus, while one political unit may levy a tax, it does not follow that such levy reflects

the actual cost of that unit to the taxpayers.

EXTENT OF TAXES

Owing to the range in legal bases of valuation, the rates have been adjusted to a uniform 100 per cent basis to determine the actual rates that would be paid if the same assessing rules were applied. This column, "adjusted tax rate," shows a range in the total of all rates of from \$61.00 per \$1000 for Oakland, to \$14.00 for Middletown. For Canadian cities, the range is from \$50.00 for South Vancouver to \$23.50 for Montreal. The average for all cities is \$32.98. The average for 215 cities in 1925 was \$31.85.

It will be accepted, however, that with the varying practices of applying the legal basis of assessment, the foregoing "adjusted tax rates" do not in fact measure the actual burden in each city. A further readjustment of the rate to indicate this relative burden is dangerous, owing to its speculative nature and the reluctance of the public officials to indicate any divergence from the legal basis. However, upon the basis of such data as were furnished, the actual rates have been reduced (note that there is never a charge of general over-assessment!), to indicate the relative tax burden. This is reported in the final column, and the range is found to be from \$47.03 for Pueblo to \$9.60 for Norristown. For the Canadian cities, South Vancouver is again high with \$37.50, while Montreal is again low with \$17.63. The average for all cities was \$23.66. This compares with \$24.15 in 1925, the reduction being attributable to a willingness to concede that assessing is not always upon a 100 per cent basis.

TREND CONTINUES UPWARD

It has been said that "when there is nothing to compare, there is nothing to criticize." It is impossible to include

in the tabulation the figures for more than the current year, but analysis was made of "adjusted," or uniform, rates for 176 cities reporting both in 1925 and 1926.

Of these cities, ninety showed an aggregate increase of \$171.70; fifty-six showed a total reduction of \$77.49; and thirty reported no change in rate. For the 176 cities, the net increase in the "adjusted" rate was 53½ cents per \$1000.

The increase during the year in the fourteen Group I cities was pronounced. Ten cities reported a total increase of \$28.25, three cities a reduction totaling \$5.16, and one city no change. The average increase of cities in this group, therefore, was \$1.65 per \$1000.

It is believed that this continued tendency of the property tax rate to increase is especial significance, in view of the popular acclaim for lower taxes. President Alba B. Johnson of the Pennsylvania State Chamber of Commerce, writing in the June number of the magazine of that organization, stated:

... In the four-year period beginning in 1921, the National Government's expenditures have been reduced by \$2,000,000,000. In the same period the expenditures of state, county, municipal and township governments for the whole United States have risen about \$4,000,000,000. State and local taxes have risen twice as fast as federal taxes have fallen.

In 1921 the total cost of all governments—federal, state and local—was \$9,556,000,000. For 1925, in the face of drastic federal reductions, the total cost of all these governments had mounted to \$11,539,000,000. For every dollar saved at Washington, state and local units have increased taxes \$2.00.

This leads to the enquiry, What will the maximum tax rate be which will not retard the growth of our cities through expanding industry and new homes?

SCIENTIFIC ASSESSMENT NEEDED

In some cases comments were noted on the questionnaire indicating that the

scientific re-assessment of property was being undertaken or was highly desirable. This is probably an outgrowth of the public interest evidenced during recent years in the tax problem. It is but one step, however a most important one, and a few assessing manuals recently issued show that real progress is being made in some localities. Cities in two states asserted that there was no statutory basis of assessment.

A corollary problem is that of property exemptions. The extent of exemptions cannot be disclosed in a condensed tabulation such as this, but deserves the attention of those seeking to relieve the present taxpayers. Interesting phases of exemption are the "graded tax law" operating in Pittsburgh and Scranton, and the housing exemptions noted in New York City and Toronto.

A "competitive reduction" in assessment was asserted among the cities of one state, due to the fact that the state continues to levy a tax on real property, using the local valuation as a basis. Pennsylvania, California, and North Carolina have segregated real property for local taxes. Effective next year, Virginia joins the rank of these states, while other states are giving it thought.

Similarly, a few states have abandoned a tax on tangible personalty, and others substantially reduced the rates on this class of property. Several years ago, Ontario abandoned the personal property tax, and substituted the income and business taxes. Possibly this offers a suggestion for new sources.

It may be appropriate to add a word of caution. Taxes are merely a means to an end. Reduction in the cost of local government will be accomplished

through budget economies, rather than through shifting the bases of taxation. In addressing the United States Chamber of Commerce, in May, Dr. Fred R. Fairchild, of Yale, well said:

. . . Whether it (the tax burden) is too heavy must depend upon what taxation is for.

We need to be reminded that taxation is the means by which government obtains the funds necessary to pay governmental expenses; that is, to enable government to perform the functions which we ask of it. It is idle to complain about heavy taxation. If the legislature determines upon certain governmental enterprises, the people must raise by taxation the money to pay the cost, and complaint about the burden of taxation will be a waste of breath until shifted to the scrutiny of the expenditures of government.

The only question is whether the things that government does for us are worth what they cost, and only by the answer to that question can we answer the question whether our tax bill is too heavy. Excessive taxation would rest upon two circumstances: first, that government expenditure is extravagant and wasteful; second, that the government is performing functions which are not worth to us what they cost.

As a partial remedy for the pressure of local taxation, Dr. Fairchild offers several definite suggestions. He would hold the citizens more responsible for their government, improve the tax collecting machinery, and, most important, abolish the taxation of intangible personal property.

Requests for tax rate data were sent to 280 cities of the United States and 19 Canadian cities having over 30,000 population. Replies adequate to use were received from all but 84 cities, and it is hoped that even those cities necessarily omitted will furnish the desired data in future compilations. It is appreciated that any value attaching to such a tabulation is due to the coöperation of a growing number of public officials.

COMPARATIVE TAX RATES FOR 215 CITIES OVER 30,000 FOR 1926

COMPILED BY THE DETROIT BUREAU OF GOVERNMENTAL RESEARCH, INC.

From Data Furnished by Members of the Governmental Research Conference, City Officials, and Chambers of Commerce

	Census July 1, 1926	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city taxes	Tax rate per \$1,000 of assessed valuation					Legal basis of assessment (per cent)	Adjusted tax rate to uniform 100% basis	Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	
			Realty				City	School	County	State	Total					
				Personalty												
<i>Group I</i>																
Population 500,000 and over																
1. New York, N. Y. ¹	5,924,000	\$13,256,568,810	98	2	Jan. 1	{ June 1 Dec. 1, '26	\$19.59	\$5.06	\$0.90	\$1.24	100	\$26.79	93	\$24.87		
2. Chicago, Ill. ²	3,048,000	1,873,921,764	77	23	Jan. 1, '25	{ Jan. 2, '26	43.60	30.40	8.00	8.50	50	45.25	50	22.63		
3. Philadelphia, Pa. ³	2,008,000	3,967,810,352	77	23	Jan. 1	{ Jan. 1, '25	17.50	9.50	....	....	100	27.00	90	24.30
4. Detroit, Mich. ⁴	1,346,500	3,160,412,150	81	19	July 1	{ July 15 Dec. 1, '25	15.96	6.61	2.65	2.36	100	27.58	80	22.06		
5. Los Angeles, Calif. ⁵	1,222,500	1,467,282,935	84	16	July 1, '25	{ Oct. 20, '25 Jan. 20, '26	16.40	15.40	6.40	....	100	38.20	50	19.10	
6. Cleveland, Ohio. ⁶	960,000	2,162,157,400	69	31	Jan. 1	{ Dec. 20, '25 June 20, '26	10.95	9.24	2.66	.25	100	23.10	75	17.33		
7. St. Louis, Mo. ⁷	830,000	1,107,433,540	85	15	Apr. 14, '25	{ Nov. 1, '25	15.90	8.70	....	1.10	100	25.70	70	17.99	
8. Baltimore, Md. ⁸	808,000	1,657,986,372	61	39	Jan. 1, '25	{ Jan. 1, '25	18.55	6.25	....	2.73	100	27.53	85	23.40	
9. Boston, Mass. ⁹	787,000	1,898,054,900	91	9	Jan. 1, '25	{ Sept. 15, '25	16.91	10.43	1.83	2.63	100	31.80	100	31.80		
10. Pittsburgh, Pa. ¹⁰	637,000	1,014,116,820	100	..	Jan. 1, '25	{ Jan. 1, '25	17.25	11.50	7.33	....	100	36.08	85	30.67	
11. San Francisco, Calif. ¹¹	567,000	733,822,981	82	18	July 1, '25	{ Oct. 15, '25 Jan. 15, '26	32.38	8.92	....	....	100	41.30	50	20.65
12. Buffalo, N. Y. ¹²	544,000	1,003,879,130	99	1	July 1	{ July 1 Dec. 1, '25	18.38	10.12	6.60	....	100	35.10	67	23.52	
13. Washington, D. C. ¹³	528,000	1,464,388,608	61	39	July 1	{ Sept. 1 Dec. 15, '25	11.90	5.10	....	.08	100	17.00	90	15.30
14. Milwaukee, Wis. ¹⁴	517,000	810,509,504	79	21	Jan. 1, '26	{ Dec. 15, '25	14.80	8.14	4.97	....	100	27.99	92	25.75	
<i>Group II</i>																
Population 300,000 to 500,000																
15. Newark, N. J. ¹⁵	459,000	771,916,873	80	20	Jan. 1	{ Apr. 15 May 31	18.41	8.42	5.15	4.42	100	36.40	100	36.40		
16. Minneapolis, Minn. ¹⁶	434,000	298,598,370	83	17	Jan. 1	{ Oct. 31 Jan. 15	37.12	20.60	7.88	7.65	38	27.84	85	23.66		
18. Seattle, Wash. ¹⁸	411,578	251,831,921	80	20	Jan. 15	{ Mar. 15, '25 Dec. 30, '26	37.14	14.32	13.45	9.42	74.33	50	37.17	70	26.02	
19. Cincinnati, Ohio. ¹⁹	411,000	1,018,498,100	72	28	Jan. 1	{ Dec. 30, '25 June 30, '26	9.83	6.33	4.75	.25	21.16	100	21.16	90	19.04	
20. Kansas City, Mo. ²⁰	375,000	450,857,030	67	33	May 1	{ June 30, '25 May 1	12.50	11.50	4.30	1.20	29.50	100	29.50	50	14.75	
21. Indianapolis, Ind. ²¹	367,000	644,491,040	66	34	Jan. 1	{ May 1 Nov. 1	11.20	11.00	3.20	2.80	28.20	100	28.20	85	23.97	
22. Rochester, N. Y. ²²	321,000	498,780,027	100	..	Jan. 1	{ May 1 Nov. 1	12.84	13.12	4.24	1.67	31.87	100	31.87	69	21.99	
24. Louisville, Ky. ²⁴	311,000	346,500,000	79	21	Sept. 1, '25	{ Jan. 15, '26	14.80	6.00	4.00	3.00	27.80	100	27.80	80	22.24	

COMPARATIVE TAX RATES FOR 215 CITIES OVER 30,000 FOR 1928—Continued

	Census July 1, 1926	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city taxes	Tax rate per \$1,000 of assessed valuation					Legal basis of assessment (per cent)	Adjusted tax rate to uniform 100% basis	Estimated ratio of assessed value to legal basis	Final readjusted tax rate (per cent)
			Realty	Personalty			City	School	County	State	Total				
69. Yonkers, N. Y.	116,000	\$245,819,353	100	..	Jan. 1	Apr. 13	\$16.72	\$11.83	\$6.67	....	\$35.22	100	\$35.22	87	\$30.64
70. Reading, Pa.	114,000	106,000,000	100	..	Jan. 1	Mar. 1	13.00	13.00	4.00	....	30.00	100	30.00	50	20.00
71. Duluth, Minn.	113,000	81,126,239	74	26	Jan. 1	Jan. 1	24.11	27.18	10.56	\$7.65	69.50	33	26.41	80	21.12
72. Lowell, Mass.	110,296	145,404,663	88	12	Jan. 1, '25	Oct. 15, '25	21.41	7.57	1.21	1.61	31.80	100	31.80	100	31.80
73. Canton, Ohio	110,000	220,670,000	70	30	Jan. 1	Dec. '25	8.83	12.05	3.70	.25	24.83	100	24.83	90	22.35
74. San Diego, Calif.	110,000	126,959,298	86	14	Jan. 1	June	22.40	8.80	23.70	....	54.90	100	54.90	50	27.45
75. Spokane, Wash.	109,000	87,537,829	75	25	Jan. 1	Feb.	19.00	12.76	10.68	10.36	52.80	50	26.40	84	22.18
77. Elizabeth, N. J.	107,000	138,564,126	90	10	Jan. 1	June 1	14.07	8.88	4.27	4.53	31.80	100	31.80	100	31.80
78. Tacoma, Wash.	106,000	60,070,347	78	22	Jan. 1	Feb. 15	26.73	14.50	20.58	10.35	79.16	50	36.08	100	36.08
79. Lynn, Mass.	104,000	119,821,665	85	15	Jan. 1, '25	Nov. 1, '25	21.78	9.50	1.79	2.75	35.56	100	35.56	100	35.56
80. Utica, N. Y.	103,000	125,969,053	95	5	Jan. 1	Aug. 1	15.65	10.34	8.37	....	34.36	100	34.36	100	34.36
82. Somerville, Mass.	100,000	109,262,400	92	8	Jan. 1, '25	Oct. 15, '25	15.40	7.52	1.08	3.40	27.40	100	27.40	75	20.56
Group IV															
Population 50,000 to 100,000															
83. Fort Wayne, Ind.	99,900	228,000,000	75	25	Jan. 1	May, Nov.	6.14	8.60	2.86	2.40	20.00	100	20.00	85	17.00
85. Long Beach, Calif.	97,700	168,859,180	88	12	July 1, '25	Oct. 15, '25	14.00	18.90	7.50	....	40.40	100	40.40	50	20.20
88. Savannah, Ga.	94,900	76,744,373	75	25	Jan. 1	Oct. Jan.	19.00	5.00	12.50	5.00	41.50	...	41.50	60	24.90
89. Allentown, Pa.	94,600	77,880,055	100	..	Jan. 1	Mar. 1	11.40	15.00	3.00	....	29.40	100	29.40	50	14.70
90. Lawrence, Mass.	93,500	130,131,400	73	27	Jan. 1, '25	Oct. 1, '25	15.58	9.59	2.06	2.37	29.60	100	29.60	100	29.60
92. Wichita, Kan.	92,500	122,938,797	79	21	Oct. 15, '25	Nov. 1, '25	8.50	16.00	3.22	2.68	30.40	100	30.40	65	19.76
94. Bayonne, N. J.	91,000	185,250,762	74	26	Jan. 1	May 1	27.33	...	7.26	4.45	39.40	100	39.40	60	23.40
95. Harrisburg, Pa.	87,800	122,097,953	64	36	July 1	July 15	12.58	9.60	2.48	2.11	28.77	100	28.77	75	22.08
96. St. Louis, Mo.	84,000	138,970,000	100	..	Jan. 2	Mar. 1	13.00	18.50	6.00	....	37.50	100	37.50	50	18.75
97. Manchester, N. H.	83,000	123,583,833	102	..	Apr. 1	Apr. 1	14.90	6.50	2.70	1.90	26.00	100	26.00	100	26.00
98. Peoria, Ill.	82,500	43,523,680	70	30	Jan. 1	Jan. 1	29.17	27.50	8.33	8.50	73.50	50	36.75	50	18.38
99. South Bend, Ind.	81,700	180,000,000	67	33	Jan. 1	Nov. 1	7.95	10.75	4.00	2.50	25.20	100	25.20	67	16.33
102. St. Joseph, Mo.	78,400	81,584,950	64	36	Apr. 19	May 5	12.50	12.25	7.75	1.00	32.50	100	32.50	60	20.10
103. Wilkes-Barre, Pa.	78,300	100,000,000	95	5	Jan. 1	Mar. 1	14.70	15.00	6.90	....	36.60	100	36.60	75	27.45
104. Sioux City, Iowa	78,000	24,480,000	80	20	Apr. 1	Jan. 1	47.00	63.50	19.50	10.00	140.00	25	35.00	30	12.50
105. Highland Park, Mich.	77,000	203,625,000	46	54	July 1	July 15	9.40	8.00	2.53	....	22.28	100	22.28	80	17.52
107. Little Rock, Ark.	75,900	58,859,904	75	25	Jan. 1	Jan. 10	7.67	12.00	8.75	8.70	37.12	50	18.56	60	11.14
108. Charleston, S. C.	74,100	24,302,459	71	29	Jan. 1	May 15	58.75	20.00	19.50	5.25	103.50	42	43.47	71	30.86
109. Sacramento, Calif.	73,400	95,244,000	86	14	Jan. 1, '26	Oct. 15, '25	17.40	24.55	7.25	....	49.20	100	49.20	72	35.42
110. Saginaw, Mich.	73,300	91,216,169	77	23	Jan. 1	July 1	14.31	12.81	6.78	2.79	36.69	100	36.69	100	36.69
111. Lansing, Mich.	73,200	146,299,075	75	25	May 1	July 15	12.20	9.50	3.23	2.58	27.51	100	27.51	80	22.01

COMPARATIVE TAX RATES FOR 215 CITIES OVER 30,000 FOR 1925—Continued

Census July 1, 1926	Assessed valuation	Per cent		City fiscal year begins	Date of collection of city taxes	Tax rate per \$1,000 of assessed valuation							Legal basis of assessment (per cent)	Adjusted tax rate to uniform 100% basis	Estimated ratio of assessed value to legal basis (per cent)	Final readjusted tax rate	
		Realty	Personalty			City	School	County	State	Total							
Group V Population 30,000 to 50,000																	
49,800	\$54,580,345	77	23	Jan. 1	{ July 1 Dec. 1 '25	\$18.65	\$13.91	\$3.28	\$2.66	\$48.50	100	\$48.50	75	\$36.33			
49,700	65,377,800	87	13	Jan. 1 '25	Nov. 1 '25	17.08	12.13	1.32	1.57	33.00	100	33.00	90	29.70			
49,400	48,628,125	98	2	Jan. 1	Mar. 1 '25	10.00	13.00	10.00	....	34.00	100	34.00	60	20.40		
49,232	66,218,100	84	16	Jan. 1 '25	Sept. 15 '25	19.44	9.01	1.40	1.55	30.40	100	30.40	100	30.40			
49,200	48,197,345	78	22	July 1	{ Aug. 1 Dec. 1 '25	14.01	14.80	5.24	2.36	36.41	100	36.41	100	36.41			
49,100	57,142,449	76	24	July 1	Sept. 1 '25	19.10	4.00	....	....	23.10	100	23.10	75	17.33	
48,800	39,446,967	76	24	Jan. 1 '25	Nov. 1 '25	16.50	11.50	....	2.50	30.50	100	30.50	60	18.30		
48,700	89,200,000	54	46	May 31	Sept. 1 '25	8.40	....	....	....	....	100	....	75	....		
48,200	52,701,950	85	15	Jan. 1 '25	Sept. 15 '25	21.55	13.52	....	3.73	38.80	100	38.80	100	38.80		
48,100	56,239,845	85	15	Jan. 1 '25	Oct. 15 '25	19.11	9.07	2.25	2.07	32.50	100	32.50	80	26.00			
47,700	81,304,650	75	25	Jan. 1 '26	{ Dec. 1 '25 June 1 '26	9.42	10.29	4.24	.25	24.20	100	24.20	80	19.36			
47,500	50,318,700	82	18	Jan. 1	{ June 1 Oct. 1 '26	16.80	7.00	8.00	....	31.80	100	31.80	80	25.44		
45,000	41,870,940	72	28	Jan. 1 '25	Aug. 1 '25	12.00	6.00	8.00	5.00	31.00	100	31.00	57	17.67			
44,800	58,000,000	72	28	Jan. 1 '25	Oct. 1 '25	16.40	6.50	5.60	7.70	36.20	100	36.20	60	21.72			
44,300	59,012,750	100	..	Jan. 1 '25	Jan. 1 '25	7.69	13.33	8.07	....	29.15	100	29.15	60	17.49		
44,300	60,234,420	74	26	Jan. 1 '26	Dec. 1 '25	13.22	11.62	6.70	2.20	33.74	100	33.74	96	32.39			
44,200	62,572,050	73	27	Dec. 1 '25	Sept. 1 '26	24.34	....	....	1.88	27.60	100	27.60	90	24.84	
43,900	136,797,100	87	13	Jan. 1	Sept. 1 '25	12.80	8.63	1.32	1.95	19.20	100	19.20	100	19.20			
43,900	70,950,773	60	40	June 1	Oct. 1	11.00	8.50	4.50	....	24.00	100	24.00	75	18.00		
43,900	35,972,410	71	29	Jan. 1	Jan. 1	23.80	15.00	9.75	8.70	52.25	100	52.25	90	47.03			
43,500	54,785,990	74	26	July 1 '24	July 19 '25	10.00	14.00	5.07	3.22	32.40	100	32.40	75	24.30			
43,200	50,037,350	77	23	Dec. 1 '24	Sept. 1 '25	15.44	10.23	1.62	2.21	29.50	100	29.50	100	29.50			
42,900	54,273,460	80	20	Jan. 1	Sept. 1 '25	29.90	13.00	....	1.30	32.50	100	32.50	100	32.50		
42,600	38,525,945	69	31	July 1 '25	Oct. 1 '25	19.58	9.36	1.03	1.25	31.20	100	31.20	90	28.08			
42,500	60,097,000	83	17	Jan. 1 '25	Jan. 1	55.00	52.20	29.80	10.00	147.00	100	147.00	25	36.75			
41,600	45,877,116	86	14	Apr. 1	June 1	27.20	55.00	14.10	6.50	102.80	50	51.40	35	17.99			
41,000	14,098,968	74	26	Jan. 1	Mar. 1	25.50	40.00	12.20	8.50	86.20	50	43.10	60	25.86			
41,000	12,056,116	70	30	Apr. 1	{ June 1 Oct. 1 '25	19.20	15.20	8.90	2.10	45.40	100	45.40	100	45.40			
38,900	38,434,405	90	10	Jan. 1	Dec. 1 '25	11.80	12.30	14.40	7.80	46.30	60	27.78	50	13.89			
38,669	49,450,915	70	30	July 1 '25	Oct. 1 '25	11.00	7.00	6.00	....	23.00	100	23.00	90	20.70		
37,700	46,445,655	93	7	June 1 '25	Oct. 1 '25	10.00	16.50	5.33	3.07	35.90	100	35.90	75	26.93			
37,400	39,316,474	75	25	Jan. 1 '25	Jan. 1	13.00	17.00	5.00	....	35.50	100	35.50	50	17.75		
37,000	37,400,000	100	..	Jan. 1	May 4	13.00	21.00	12.57	....	46.57	100	46.57	40	18.63		
36,800	27,844,004	93	7	Jan. 4	{ May 4 Nov. 4	16.41	12.00	.36	.73	29.50	100	29.50	65	19.18			
36,600	47,813,365	83	17	Jan. 1	{ Nov. 4	16.41	12.00	.36	.73	29.50	100	29.50	65	19.18			

- ¹⁰ *Washington*. Appropriations for the District of Columbia are made by Congress, a lump sum of \$9,000,000 thereof being paid by the Federal Treasury. The rate given is for realty and tangible personalty, intangible personalty, \$137,085,808, is taxed at one-half of one per cent. Banks, trust companies, and public service corporations are taxed at various rates on earnings or receipts. There is a single rate for all purposes, the school rate being estimated.
- ¹¹ *Winnipeg*. The Minnesota statutes provide five classes of property, assessed at varying bases of true value—real estate (except unplatted) is assessed at 40 per cent; iron ore at 50 per cent; personality, in three classes, is assessed at 10, 20, and 35 per cent respectively. The average of all is 38 per cent of true value. Money and credits (not included in the valuation reported) are taxed at 5 mills on the dollar. The rate on the latter is 10 mills on the dollar.
- ¹² *Seattle*. The city rate includes \$1.25 port rate.
- ¹³ *Kansas City*. The valuation given is for city tax purposes; the valuation for school, county and state taxes is about \$600,000,000.
- ¹⁴ *Louisville*. In addition to the valuation given, \$18,500,000 of bank and trust companies stock is taxed \$2 per \$1,000 for city and \$4 per \$1,000 for schools.
- ¹⁵ *Tulsa*. The city rate includes \$2.10 dock rate and \$2.40 port rate.
- ¹⁶ *Portland*. There is no county government in Rhode Island.
- ¹⁷ *Providence*. The city rate includes 30 cents for university.
- ¹⁸ *Oakland*. The city rate includes \$2.10 utility district rate.
- ¹⁹ *Atlanta*. See Note II. Money and credits, not included in valuation reported, are taxed \$3 per \$1,000.
- ²⁰ *Richmond*. The school rate is estimated; schools receive 20 per cent of total city revenues.
- ²¹ *Albany*. The cities of Virginia are autonomous, having no county government. Of the valuation here given, \$21,500,000 is tangible personalty, which pays a city tax rate of \$12 per \$1,000. In addition to the valuation given, \$97,600,000 of realty pays varying rates of \$2 to \$8.50 per \$1,000 for city purposes.
- ²² *Syracuse, Bayonne, Elizabeth, Salem*. The city rate includes \$1.25 for city schools, the separation not being reported.
- ²³ *Dayton*. The city rate includes \$1.97 flood prevention rate.
- ²⁴ *Hartford*. In addition to the tax rate reported, the city raises, through levy and collection by the state treasurer, a one per cent tax upon a portion, and eight-tenths mill upon the balance, of a corporation stock valuation of \$265,447,955, which is the taxable valuation of the stock of certain corporations held by residents.
- ²⁵ *Pasadena*. The state rate includes \$2.04 metropolitan sewer and park rate.
- ²⁶ *Cambridge*. The city rate includes \$1.50 port and \$1.50 park.
- ²⁷ *Wieling*. There are ten different city rates, varying for territories annexed since January 1, 1920, each annexed area paying its own debt, the levy given is for the city prior to that date.
- ²⁸ *Greensboro*. The school and county rates are in litigation before the State Supreme Court. An annexation of 1923 has a city rate of \$5.50.
- ²⁹ *Montreal*. The population of the Canadian cities is the 1925 estimate of a census department, except for Montreal which is a local estimate. The school rate is the average of the Protestant, Catholic, and Neutral rates.
- ³⁰ *Toronto*. The assessed valuation for school taxes is \$384,739,324; dwellings up to \$1,000 valuation are allowed a certain exemption from general taxation but not from school taxation. Realty valuation includes 8.3 per cent income and 10.2 per cent land.
- ³¹ *Vancouver*. The actual tax levy is \$31.66, but was reported \$28.50 because 92 per cent was paid before the expiration of a 10 per cent discount period.
- ³² *Quebec*. The city rate includes \$5 for water, paid also by \$11,465,860 valuation exempt from general taxation, and 50 cents for local improvements.
- ³³ *Hamilton, London*. Realty valuation includes 15 per cent business and income.
- ³⁴ *Ottawa*. Realty valuation includes 16.73 per cent business and income.
- ³⁵ *Edmonton*. Land, valued at \$35,267,310, is assessed at 100 per cent; improvements are assessed at 60 per cent.
- ³⁶ *Halifax*. Realty valuation includes 18.5 per cent business and household.
- ³⁷ *San Francisco*. Realty valuation includes 11 per cent business and income. Land is assessed at 100 per cent, and improvements at 30 per cent. The separate school rate is \$5.60 higher than the public school rate given.
- ³⁸ *Beyrout*. Land, valued at \$25,611,133, is assessed at 100 per cent; improvements are assessed at 50 per cent.
- ³⁹ *Sackatoon*. Realty valuation includes 2.95 per cent business and income. Land is assessed at 100 per cent, improvements at 45 per cent.

BOOKS AND PUBLICATIONS

MONOGRAPHIEN DEUTSCHER STÄDTE: DARSTELLUNG DEUTSCHE STÄDTE UND IHRER ARBEIT IN WIRTSCHAFT, FINANZWESSEN, HYGIENE, SOZIALPOLITIK UND TECHNIK. Herausgegeben von Erwin Stein, Generalsekretar des Vereins für Kommunalwirtschaft und Kommunalpolitik. (Berlin: Deutscher Kommunal-Verlag, 1925. Band XII, Gleiwitz, pp. 296; Band XIII, Görlitz, pp. 303; Band XIV, Neisse and Ziegenhals, pp. 311; Band XV, Beuthen, pp. 272; Band XVI, Waldenburg in Schlesien, pp. 416.)

This series of monographs on various German cities was begun some time before the war, which, of course, interrupted their publication. The work has been continued under the editorship of Erwin Stein, general secretary of the Society for Municipal Administration and Politics. The latest group includes the Silesian cities of Gleiwitz, Görlitz, Neisse, Ziegenhals, Beuthen and Waldenburg.

The books themselves are large, well printed, on good paper and handsomely illustrated. The number of illustrations per volume, however, seems to depend on the wealth of the city. While the different volumes are not identical in their plan and chapter headings, they all cover much the same ground; a history and description of the city, its public utilities, its problems in finance, hygiene and poor relief, and its work along recreational and educational lines. The material for each section was gathered and prepared by municipal officials and leading citizens under the direction of Mr. Stein; as for example the foreword to the monograph on Görlitz was written by Oberbürgermeister Snan, the chapter on the history of Beuthen by Justizrat W. Immerwahr, and that on welfare work in Neisse by Stadtsyndikus Fuhrmann. The work, it is almost needless to say, has been done in careful and scholarly fashion, but here and there the booster spirit shows as clearly as in a publication by an American chamber of commerce.

What, of course, is of most interest to us are the various problems which have arisen since the war and the way in which they have been met. The housing question was probably the most acute in these cities, for being near the eastern frontier large numbers of refugees came

to them at a time when all building had ceased. Beuthen, an industrial and mining city, had perhaps the largest influx of population and there temporary barracks were erected. Later the city was able to begin building and here, as in most cases, it was done largely through building societies which were often subsidized by the city. In a few years between 1,500 and 1,600 new homes were ready for occupancy. All of these were dwellings of approved type, each apartment being well ventilated and having its share of sunlight. Many one-and-two family houses were built, but the needs of this city called principally for apartments suited to the income of the laboring classes. In Görlitz the new houses are, in general, more pretentious. Feeling that too hurried building would be more costly in the end and spoil the carefully laid city plan as well, the city administration began by taking a census of the existing number of rooms, commandeering those which were considered superfluous, and, at the cost of the city, rebuilding old houses so that they could accommodate more people. In addition 1,081 new buildings for dwelling purposes have been erected since 1918, of which only 89 were built entirely by private means. One rather interesting feature of the building development is a little colony or "addition" entirely in the hands of the city employees. Görlitz has fared better than many of the cities inasmuch as it possessed a great deal of land which not only furnished revenue during the period of depression, but also made available desirable building lots at a more reasonable price than those held privately. Neisse too had a city plan and stuck to it. It was also fortunate in having large barracks, formerly used by the garrison and which have been remodelled into apartments. The large newly-built apartments are all required to give as much southern exposure as possible and to provide a playground for the children of the tenants.

All of the cities covered by these monographs had much the same sort of welfare work to be done after the war. The children were undernourished, rickety, inclined to tuberculosis and other diseases. Orphans were so numerous that practically every city has had to build a new orphan asylum. All have instituted a special department of municipal administration to care

for these problems and the results are already beginning to be apparent. Beuthen has instituted a public sun bath, a feature which might well be copied by our cities. Perhaps the most unusual expenditure of money since the war has been that for football fields. The cities have built other playgrounds as well, but an expensive football field seems essential. There is no intimation in any of the volumes, however, as to how the German youths like this substitution for military drill.

The Society for Municipal Administration and Politics has also published under the direction of Mr. Stein studies of several of the *Landkreise* or counties of Germany following the same general plan as in the other monographs. The volumes published so far in the *Monographien Deutscher Landkreise* include the following, Band I, *Der Landkreis Recklinghausen*; Band II, *Der Landkreis Sorau*. In these volumes particular attention is given to local finances, highways, forestry, drainage, reclamation and the development of electricity from water power. The latter is perhaps the most important of the new developments, the *Landkreis* being used as an administrative district for the central distribution of electric power.

Students of municipal administration will find in these books a mine of useful information.

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LOCAL GOVERNMENT IN THE PHILIPPINE ISLANDS.

By José P. Laurel. Manila: La Pilarica Press. 1926. Pp. xxiii+539.

After searching for fifteen years through texts on American Government for a treatment of the government of our oriental colony that was neither inaccurate nor inane, it was a delightful experience to read *Local Government in the Philippine Islands* by Dr. Laurel. As Dean Maximo Kalaw aptly says in the Introduction, "The time, the place and the man are all present when Senator Laurel's book leaves the press."

In the first place I know of no other author who, upon theoretical grounds at least, was so well prepared to write this book. As a Bachelor of Laws, University of the Philippines, then Doctor of Civil Law, Yale University, he was theoretically grounded for his task. As a subordinate in the executive bureau, then executive secretary, and finally secretary of interior, he had the ideal opportunity to study Philippine

local government "as is." As lecturer on municipal government in the University of the Philippines he had the leisure and the environment for the scholarly and scientific treatment of his subject. Lastly, his present position as senator, secured after a most strenuous campaign covering five provinces where he was thrown into contact with actual practical workings of local politics, should have completed his education in the intangible phases of government which so often are beyond the experience or understanding of political scientists who otherwise write well.

Dr. Laurel's volume would be a valuable contribution to the American school of political science at any time because of its sound treatment of the pre-Spanish and Spanish backgrounds of Philippine local institutions, the plan of local government under the Philippine Republic, and the evolution of the present system during the last quarter of a century in which the fusion of Spanish, American and Philippine elements have produced a "Philippine" system of local government.

However, Dr. Laurel's volume is of special value now when, for the first time in almost two decades, the American people are showing sufficient interest in the Philippine question to arouse the hope that we may eventually work out a satisfactory policy for our greatest colony. It will be gratifying to the American reader to note how this Filipino, a senator and a leader in the independence party of the Philippines, repeatedly calls attention to the McKinley Instructions of 1900 as the guiding force in the evolution of the at present highly creditable system of Philippine local government. I am sure that the Honorable Elihu Root would enjoy this volume since he, more than any other one man, formulated these instructions for President McKinley.

The book is well planned, well edited, quite free from errors typographical and otherwise, and quite readable both as to the English style and as to paper and printing. The rather bulky appendices include the parts of the Philippine Administrative Code dealing with local government. This large amount of appended material makes the book look discouragingly long, 539 pages, but the book proper constitutes less than half of the volume.

Dr. Laurel's study will be of especial interest to students of municipal and local government who will find herein the result of the fusion of

the old Roman system based on the municipality, and the American system based on the rural township or county. The student of nationalism will also find interesting data here as to the use of transitory local governmental forms for the purpose of weaning savage peoples from tribal, personal government to national, impersonal government, transforming their socio-political bond from that of *jus sanguinis* to that of *jus soli*.

In citing the reduction of insular aid to the city of Manila from one million to fifty thousand pesos in 1923, page 147, without comment, the American reader will wonder why. The Filipino will know, however, that it was because the minority party captured control of the Manila city council that year, and, consequently, their opponents, the majority party in the insular legislature, took this method of retaliation. Also Dr. Laurel has not sensed the importance of the municipal treasurer in the smaller, outlying municipalities. But to criticise so good a treatise for such minor omissions savors of quibbling.

Without intending to do so, the book reveals the statesmanship of the original McKinley Instructions. It is to be hoped that Dr. Laurel will continue to write on Philippine Government with the same objectivity and detachment from partisan feeling that characterizes this volume.

O. GARFIELD JONES.

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THE NEW LEADERSHIP IN INDUSTRY. By Sam A. Lewisohn. New York City: E. P. Dutton and Company. 1926. Pp. 234.

To a good many people the title of Mr. Lewisohn's book will give an erroneous impression. It is unfortunate but true that ordinarily the speaker or writer who talks about "leadership" contents himself with vague generalities which may be applied in any one of a number of ways—or, indeed, not at all—in dealing with a concrete situation. Few treatments of the subject, however, are more specific and concrete than Mr. Lewisohn's. The "new leadership" of which he writes is no more than basing the handling of employment problems (or, if a different term is preferred, industrial relations) upon clearly thought-out principles and giving the application of these principles effect in concrete situations, at least for large organizations, through the sort of personnel agency which

is commonly called the employment department.

Little reading between the lines is necessary to uncover two facts—Mr. Lewisohn's attitude is not that of a person whose bread and butter depends upon the manner in which he deals or has dealt with industrial relations, either as an employer or an employee, but rather is that of an enlightened employer who takes himself and his work seriously, who has given sincere study to employment problems, who is familiar with the best personnel literature and practices, who has considerable social vision, and who, as far as is humanly possible, bases his conclusions not upon his own selfish interests but upon what he conceives to be sound social policies. It is from just such men, who are far enough from the bitter experiences of life to retain a fair perspective, who are close enough to employment matters to know what they are talking about, and who are serious enough to give serious thought to serious problems, that the best presentation of a difficult social subject often comes. This seems to be just such a work, written in a very readable and interesting style.

Mr. Lewisohn quickly and surprisingly convincingly disposes of the "capitalistic" bogey by showing how capitalism in effect means little more than a larger production, through good organization, of the consumable goods the world needs and wants. With equal facility he disposes of—or at least explains—the blind opposition to "unionism" which some employers still show. The plausible manner in which he points out that a given attitude is right or wrong or a given procedure is good or bad because it does or does not lead to the production and equitable distribution of those things which all of us want is reminiscent of Franklin's Autobiography. An example is the treatment of the alleged effect of simple tasks repeated over and over all day long. Instead of regarding this as a necessary evil, as is commonly done, Mr. Lewisohn points out—what every observing person who has dealt with many human beings well knows—that there is a very large percentage of the adult human race which is much happier when engaged all day long in simple repetitive tasks than when performing varied work calling for constant adjustments and therefore the use of the intellect.

In his attitude toward the public service Mr. Lewisohn quite consistently takes the more or less emotional attitude that he finds common among others in their thinking about capitalism

and unionism—that is, he accepts as gospel the view that the public service *per se* means stagnation, poor organization, backwardness, and a considerable degree of inefficiency. It is unfortunate that Mr. Lewisohn did not approach the problems of organization, procedure, and employment in the public service with the same turn of mind as he approached the same problems in industry; had he done so, there can be little doubt that he would not casually have dismissed the substantial progress and achievements in the public field.

FRED TELFORD.



REPEAL THE DIRECT PRIMARY. By Bernard Freyd. Seattle: McKay Printing Company. 1925. Pp. 65.

No one can complain that this pamphlet, considered as a contribution to political discussion, lacks novelty. "Instead," writes Mr. Freyd, "of occupying ourselves with a detailed comparison of the various forms which the direct primary has taken, we have formulated dilemmas." From the philosophical angle, however, it is the old, old game of antinomies, whereby, for example, one can demonstrate with the same show of reason that the universe is a limited quantity, and that it is unlimited in space and time. Thus Mr. Freyd whipsaws the unlucky direct primary back and forth, using for his fell purpose two questions: "Has any group of citizens the right to organize a party which shall be satisfactory to themselves?" and "Is the party system desirable?" Naturally our current fashion in nominating machinery is revealed as "possessed with the glanders and like to mose in the chine; troubled with the lampas, infected with the fashions, full of windgalls, sped with spavins, rayed with the yellows, past cure of the fives, stark spoiled with the staggers."

It is amusing; the only unfortunate thing about it all being that the same methods of logic may be applied with the same results to that holy of political holies, the concept of sovereignty, or to the sacred dogma of checks and balances, or to that noble Anglo-Saxon invention, the principle of representative government,—the last-named, by the way, lying at the root of the nominating convention system for which Mr. Freyd drops a pious tear. Much is made also of the fact that other democracies have not been impressed sufficiently by the glories of the direct primary to adopt it as their own. By the same logic we should repeal prohibition and the supreme court's veto,—which to many would not seem such bad logic either. Of course no one would be so foolish as to proclaim the imperishability of the direct primary; it is after all only Number 3 in our national gallery of nominating systems. It will hardly be done to death, however, by "formulating dilemmas." Formulating other devices, *e.g.*, the short ballot and proportional representation, would seem to be much more effective, although if adopted, no doubt, these will develop plenty of logical and other difficulties of their own.

ROBERT C. BROOKS.

Swarthmore College.



A Correction.—Due to a typographical error Miss James in reviewing Mrs. Bowen's "Growing Up With a City" was made to say on page 609 of the October REVIEW that the book was a notable record of the charitable and civic movements of Chicago "of the last few centuries." What was intended to be said was "the last half century."

Mrs. Bowen grew up with Chicago and she will doubtless be amazed to read that her personal account covers a period of several hundreds of years.

GOVERNMENTAL RESEARCH CONFERENCE NOTES

EDITED BY ARCH MANDEL

New York Institute of Public Administration.—The Virginia survey which the Institute is making, has now reached the study of county government. W. A. Bassett, Luther Gulick, Bruce Smith and William Watson have spent some time in selected counties of the state.

Bruce Smith is making a police survey of Utica, New York, in connection with his work for the New York State Crime Commission.

✱

Kansas City Public Service Institute.—The Kansas City Public Service Institute is experimenting with an expanded bulletin. The Institute has for several years issued a weekly four-page folder, with very satisfactory results. It has felt for some time that it needed a means of circulating more information on more subjects than is possible with the folder type of bulletin. It has, accordingly, adopted the policy of substituting once each month an enlarged edition of the weekly. This larger edition is a 7" x 10" sixteen-page magazine, covering a wider variety of subjects, and in more detail, than has been the practice in the weekly bulletins. The purpose of the magazine is to reach a class of readers who will take time to read a more extensive discussion than is possible in the folder. The folder is designed for business men who will pick it up and read it because it is short and to the point. The magazine is designed for use by organizations interested in government, such as the government study clubs, civic committees, by civic classes in schools, and by other individuals and organizations who desire more detailed information. The Public Service Institute has always felt that the educational part of the work of a research bureau is its fundamental purpose for being. The Institute and every other research organization has on hand considerably more information that ought to reach the public than can be printed in a weekly folder. It is both to furnish a means of making such information regularly public and to reach this wider clientele that the new plan has been adopted.

A permanent registration bill applying to Kansas City has been drafted by the Institute in

coöperation with the Chamber of Commerce and with the aid of Dr. Joseph P. Harris. The bill is now being studied by other interested organizations. It is believed that a bill satisfactory to all will be finally drafted and that there is a good chance of its adoption by the legislature.

✱

New York City.—Governmental researchers familiar with the early days of municipal research in New York City and the part played in it by the then comptroller, Herman A. Metz, who upon leaving the comptrollership gave \$30,000 for promoting proper accounting in American cities, will be interested to know that Mr. Metz is chairman of a group who recently organized the Municipal Economy Committee, with headquarters at 53 Chambers St., City Hall Square, New York City.

Though organized in time for October study of the tentative and proposed budgets for 1927, this representative committee has announced its intention to help rentpayers and taxpayers follow the tax dollar from citizens' pockets to its final destination in service or lack of service.

Eight city-wide and borough-wide agencies, which contain probably 80 per cent of the taxpaying forces of Greater New York, have sponsored this new governmental research: The Board of Trade and Transportation, the Brooklyn Chamber of Commerce and Brooklyn Real Estate Board, Chamber of Commerce of the State of New York, Merchants Association, Queens Borough Chamber of Commerce, Real Estate Board of New York, and Staten Island Chamber of Commerce. Each of these agencies has two members on the Committee, most of them the president and the chairman of their public taxation committee.

Representing a general public service interest are also George McAneny, former president of the borough of Manhattan and of the board of aldermen, and William H. Allen, director of the Institute for Public Service, one of the original municipal research groups and first director of the Training School for Public Service.

The officers are Herman A. Metz, Chairman;

Lucius R. Eastman, president of the Merchants Association, Vice Chairman; George McAney, Vice Chairman; and William H. Allen, Secretary.

The active direction of the field work is by the secretary, who is responsible for execution; Lawson H. Brown, secretary of the Civic Council of the Brooklyn Chamber of Commerce; Frederick DeBerare, director of research, Merchants Association; and E. P. Doyle, manager of public affairs, Real Estate Board of New York.

Typical of news items during the budget campaign were statements to the effect that the budget actually appropriated over \$507,000,000 instead of the reported \$475,000,000; that it was \$45,000,000 rather than \$38,000,000 above the city and county budget for 1926, or \$82,000,000 above that for 1925; and that even if tax rates do not rise, it is tax money rather than tax rates which rentpayers and taxpayers actually pay.



Philadelphia Bureau of Municipal Research.—

Besides its published reports and its weekly publication, *Citizens' Business*, the Bureau of Municipal Research of Philadelphia each year prepares a great many statements which it does not publish. These consist of memoranda, magazine articles, press notices, papers read at public meetings, letters containing information on municipal problems, drafts of bills for legislative bodies, and tables giving statistical information. Most of these statements are prepared in response to requests by public officials or private citizens, and only enough copies of each are made to supply the need of the person making the request and a few copies for our correspondence files. In order to make these papers more accessible than they would be in the correspondence files, it has been decided to bind in a single volume all the more important ones that have been prepared during the year. Material for the years 1921-1925 has been prepared for binding. It is planned to have copies available for reference in the Bureau's library and ultimately to send copies to the Library of Congress. The compilation and editing has been done by Miss Helen F. Gruner, the Bureau's librarian.

At the October meeting of the trustees of the Philadelphia Bureau, Clarence G. Shenton was elected secretary of the corporation, as successor to Russell Ramsey, resigned. Mr. Shenton continues to be assistant director.



Des Moines Bureau of Municipal Research.—

The total 1927 taxes for all purposes levied on

property in the city of Des Moines will be approximately \$125,000 less than those of 1926, as a result of the campaign pressed by the Des Moines Bureau of Municipal Research. This reduction amounts to about 2 per cent of the total tax levies. The county supervisors and county hospital board each reduced their levies approximately \$57,000. The county levies were decreased by the elimination of unnecessary balances in certain funds and reduction in overhead expense by installation of several more economical practices, among which was a reduction in the mileage allowance to the county sheriff. The county hospital board of trustees which maintains the combined city and county hospital service, agreed to defer a levy for a new building for several years, which permitted a reduction in the hospital levy. The city levy was reduced between thirty and forty thousand dollars largely by the elimination of excess levies for certain funds. The school levy was increased only \$20,000, in spite of the completion of several new school buildings, the annexation of new school territory, and augmented enrollment of pupils. The Research Bureau prepared reports, attempting to show the different subdivisions how they could reduce expenses. Acting on many of these suggestions, the various tax levying bodies agreed to cooperate in a tax reduction movement. The Research Bureau appeared very little publicly in this campaign.



Syracuse University.—Dr. Mosher, managing director of the School of Citizenship and Public Affairs, reports the following projects under way or concluded:

1. Methods of handling real estate subdivisions. This is an investigation of the methods that have prevailed in Syracuse and a number of other cities comparable to Syracuse. The defects of such methods are pointed out, particularly as they show a lack of plan with reference to contours of the land, relation to thoroughfares, width of streets and the like.

A comparison is made between the ideal layout and the customary rectangular layout, with reference to the following items: cost of houses, grading, shrubbery, open spaces, sewers and other necessary expenses. This is supplemented by an ideal layout of 160 acres in Westchester county.

The investigation was in charge of Robert Whitten, formerly of the City Planning Commission of Cleveland, and in cooperation with

the organization of New York City and Its Environs.

2. Public Roads Financing. The basis of this investigation is a field study of the economic and social effects of public road developments in five rural counties in New York state. It is a consideration of the proper means of financing public road improvements with regard to the social and economic benefits derived. This was carried on by Finla G. Crawford and Harvey W. Peck.

3. The Annexation of Onondaga Valley by Syracuse. This is a detailed report on the changes in the costs and standards of public services to be extended to Onondaga Valley, a suburb of the city of Syracuse. It covers all of the various functions and provides a detailed estimate of the costs necessary to maintain Syracuse standards in the suburb in case it should be annexed. Comparisons are made between present valuations and tax rates and the adjustments which would necessarily follow. The question of debt limits also is given careful consideration. The report was prepared in advance of the referendum dealing with the annexation of this suburb. It was prepared by three men of The School's staff, Messrs. Stone, Evans and Jenny.



New Bedford Taxpayers' Association.—New Bedford has for years operated three municipal

cemeteries, but because of the failure to assess the lot owners the full cost of maintaining their lots, the taxpayer has had to meet a deficit of \$50,000 a year incurred in the operation and maintenance of the cemeteries. The Taxpayers' Association, after a study of the situation, has worked out a plan by which the cemeteries may be operated without loss to the municipality and has made recommendations accordingly to the cemetery board.



Dayton Research Association.—Wilbur M. Cotton resigned as city manager of Ashtabula to become director of the Dayton Research Association. He assumed his new duties the latter part of November. In 1917 Mr. Cotton was appointed manager of Edgewater and Sewickley, Pa., in 1920 was manager of Ambridge, Pa., until he became city manager of Ashtabula in 1922. Mr. Cotton has made an enviable record as manager of Ashtabula. Among other things, he had charge of construction and operation of a million dollar city electric plant, and took over a bankrupt street car system. Under his direction a million dollar program of sewerage improvement, including a sewage treatment plant, was completed in three years. In 1923 a city plan was adopted, with thoroughfare, boulevard and park plan and a zoning ordinance which have worked successfully since.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Public Utility Consultant, New York City

Why the Indeterminate Permit?—One of the greatly exaggerated nostrums offered for public utility control has been the so-called indeterminate franchise (also called terminable or revocable permit). In its more modern form it was first provided for in Wisconsin in 1907, and has been established in various forms in ten states. For eight years following the enactment of the Wisconsin statute, it was lauded over the country by enthusiastic writers and speakers as furnishing the necessary basis for effective public utility regulation. Its discussion subsided during the war, but has been revived again during recent years.

The essence of the indeterminate permit is duration without a fixed period, subject to revocation by the municipality in which the grant is operative after paying for the fair value of the property. It purports to leave ultimate control with the municipality, which may terminate the permit if the service and rates are unreasonable. At the same time it provides stability for the company, which may proceed with developments without interference through prospective termination. Its effectiveness depends upon the conditions under which it is granted and administered.

Two recent surveys have been made of indeterminate permit, which will be of interest to public officials and students of regulation. The first was made by Francis X. Busch, corporation counsel of Chicago and C. M. Dody, assistant corporation counsel of Chicago, for the benefit of Illinois municipalities in relation to proposed legislation establishing the terminable permit. The second was prepared by Dr. Delos F. Wilcox for the Public Ownership League of America.

NOT FAVORED FOR ILLINOIS

The Busch-Dody study presents the situation from the standpoint of the proposed statute in Illinois. It makes a survey of the laws in the several states and brings out the diversity of conditions under which the terminable permit is provided. It shows particularly, that the effectiveness of such grants from the public

standpoint, depends upon the rights of the municipalities to initiate regulations and upon their power to exercise revocation in case of unsatisfactory conditions. Without such rights and power, the cities lose all control over the utilities, and the terminable permit becomes in reality a perpetual franchise.

The report is opposed to the terminable permit, not in general, but as proposed in the Illinois bill under discussion. The chief reasons for the opposition are the ones above indicated. First, under the Illinois statutes the municipalities would have no direct control left over the utilities in their streets, they could initiate no regulations as to service, improvements, or safety. Second, they would obtain an empty right of revocation, because they have not sufficient borrowing capacity under the law to purchase the properties and thus remove an unsatisfactory operator. The general right of public ownership and regulation exists now, but it is useless under the financial limitations imposed upon the municipalities.

HAS FAILED IN ITS PUBLIC ASPECTS

Dr. Wilcox's report covers largely the same ground, but it is not specifically directed to the Illinois situation. It is a more general study in relation to home rule and government ownership. Its conclusion is that the terminable permit has failed in its public aspects and has more firmly entrenched the private companies in permanent possession of their franchises. Dr. Wilcox apparently would not expect much better results whatever the attending circumstances of the grant. He views it primarily as an instrument for companies but unsuited for public needs unless "its status is definitely established as the handmaiden of home rule and municipal ownership." He would first make public service the dominant motive, compelling the companies to accept a subordinate status while they continue in business, receiving limited but reasonably liberal returns for actual public service.



What are the Facts as to Niagara Power?—A huge public service would be rendered if some-

one would come along and tell us the actual truth about Niagara power in Ontario. On the one hand we are told of the magical performance of the Ontario Hydro-Electric Commission,—that it has brought cheap light and power to the small fellow and has given him a new status in modern industry and comforts of life. But we are told also the same hydro-electric system has been a diabolical force in Ontario politics,—has tried to set up a gigantic monopoly in the interest of the persons in power,—has violated constitutional law,—assumed absolute authority,—closed the courts of justice against proceedings adverse to the group,—and encroached upon the liberties of the people.

The above is the concluding characterization by the late Professor James Mavor in his recent work on "Niagara in Politics" (N. Y., Dutton, 1925). Professor Mavor was a fine gentleman of the old economic school. His faith was firmly founded upon *laissez faire* and he could see no good in government meddling with business. To him the whole scheme of the Hydro-Electric Commission was a piece of rank socialism which polluted the entire economic and political life of Ontario and the great Dominion of Canada. He was temperamentally and professionally about the least fitted among economists to make a study of a situation which required great technical understanding and a free balance of mind to weigh relative benefits and evils.

Indeed evils there must have been, which have been glossed over by the friends of the Hydro. On the other hand, private utility interests have overworked the hydro propaganda to head off similar experiments in the United States. Professor Mavor, late emeritus professor of Political Economy in the University of Toronto, of course, cannot be placed with the propagandists; he was doubtless sincere; but he was so obsessed with a mid-victorian economic basis against government in business that he could not distinguish facts from fancies and could not weigh the relative *pros* and *cons* of the situation.

We have heard much of the low rates to Ontario small consumers a long distance from the source of supply. But Professor Mavor says that the low rates to domestic consumers have been made arbitrarily low for political purposes, without regard to cost of service. The commission has thus kept itself in power, and has shoved the burden upon the larger power consumers and upon taxpayers. The costs have been high, the investment extravagant, the

management inefficient, and the control politically corrupt.

UNBIASED STUDY NEEDED

The picture drawn by Dr. Mavor is not a lovely one,—and probably many details of the reality have been unlovely. But it is time that a competent and unbiased study were made of the complicated facts. Dr. Mavor, unfortunately, had neither competence nor open-mindedness for such a difficult piece of research.

If we knew the facts, they would throw light upon the national or state policies which should be pursued in the United States in our further development of Niagara and St. Lawrence power. Likewise, they would assist in helping us decide about Muscle Shoals and Colorado River power. They would also help New York, Pennsylvania, and other states in determining how far to go in the public development of hydro-electric projects, or in super power. These are matters of enormous importance for the nation's future, and they are likely to be decided largely on the basis of propaganda and biased reports. A special federal commission is needed to make a study of the entire situation and report on desirable policy. It should consist primarily of experienced economists and engineers who are free from intellectual control by existing public utility interests and the dogmatic government ownership groups. What we need are the facts scientifically presented from the standpoint of desirable policy. We have had far too many briefs for particular views and interests.



Transit Planning for New York.—"The Transit and Transportation Problem" has been published as a part of the "Regional Plan of New York and Its Environs." The author is Mr. Harold M. Lewis, executive engineer of the technical staff. The report is a sequel to the earlier traffic study. It is divided into three general parts. The first is devoted to the "transit problem," which includes local passenger transportation within the New York populated district. It makes a survey of the facilities available—rapid transit, surface street railways, and motor buses; presents a study of the traffic, historical, seasonal and sectional; discusses the financial problems, and formulates guiding principles for proper developments in the future. The second part considers the railroad facilities and traffic as distinguished from transit, covering

freight as well as passenger service. The third part presents estimates of future traffic.

The report is greatly clarified by charts, maps and tabulations. It is an excellent study of a complicated and perplexing situation, which has profound significance not only to the immediate area but to the country at large. The present confusion, and the growing inadequacy and obsolescence of the nation's chief terminal facilities on the Atlantic seaboard, should give concern to business and public interests throughout the country. It is extremely important that the many political cross purposes in the section, the unfortunate state boundaries, the rivalries and self-interest of existing railroads and transit companies, shall give way to the national interest, so that the extraordinary port facilities may be developed for the general welfare and prosperity.

IS CONGESTION DIMINISHED?

The report contains two points which will require consideration in many other regions struggling with local transit problems. The first is the question how far the construction of new facilities results in dispersal of population and the avoidance of congestion, and to what extent it may actually promote congestion. If new transit lines, let us say subways, are able to bring huge additional numbers to an already congested business district, and thus stimulate the construction of large new business structures, do they relieve congestion or add to it by bringing still greater masses into the limited area? Might not the interest of the region as a whole be better served if no new transit facilities were provided, with the result that business would be compelled to disperse over a wider area, less riding, less time spent in transportation, and less congestion in any one zone?

This is a grave problem which in any case should not be settled by mere casual consideration. There is danger of mistake in blandly assuming, as is perhaps generally the case, that mere transportation solves the problem of congestion. But there is also the opposite danger of declaring too readily against needed transportation. The problem is rather one of proper proportions. It involves consideration of several

congestion factors, of which transportation facilities are only one. It includes the economic availability of huge buildings, appropriate street and sidewalk space, sufficient air and light, adequate water supply and sewage disposal, and available public utility connections. Undoubtedly if lower Manhattan, or the Chicago Loop, or the most congested region in any city, could be cleared of its antiquated structures and could be rebuilt on modern economic lines, with corresponding street and side-walk lay-outs, it would serve better a much greater business population than is possible at present with the inadequate other provisions. The trouble is that while the available transit facilities have been fairly well modernized, the other elements have lagged far behind and belong to another age. Unless all factors can be advanced approximately in proportion, there is the danger that the better the transit the graver the congestion.

WHO SHALL PAY THE COST?

The second point which has general importance, has to do with financing new transit facilities and providing for the cost of service. The report disagrees with the prevailing theory and practice that all the costs should be borne by the riders. It shows that such a policy might be self-destructive, failing to pay costs and discouraging traffic below the economic needs of the community. Moreover, it emphasizes the fact that the riders as such are not the sole group in the community benefited by adequate transit. It concludes that the directly benefited property owners should bear a due proportion of costs through assessments, and the generally benefited business interests should contribute through taxation.

As suggested previously in these columns, the cities will have to consider transportation from the various financial and public angles. First they have to consider whether added facilities are warranted from the standpoint of congestion and total cost, and second they must decide how the cost should be divided among the various groups in the community. Old assumptions and practices must be subject to rigid examination and test.

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, Georgetown University

Mandamus to Prevent Violation of Building Code—Effect of Establishment of Building Line.

—In *Brooks v. Secretary of the Commonwealth* (153 N. E. 322) the supreme court of Massachusetts affirmed the right of resident tax payers to compel the city authorities to act to prevent the violation of building code by the erection of an apartment house covering in part the space reserved as a set-back from the street. In such a case, the court holds that the petitioners do not have to show in themselves any private right and interest beyond the right and interest of the public. The court defines the effect of the establishment of a valid line beyond which the owner may not build as an easement acquired by the public, and not as a mere regulation of the use under the police power. This doctrine is upheld by recent decisions in Maine, New Jersey, Wisconsin, and in the federal case of *Ambler Realty Company v. Euclid*, now pending before the United States Supreme Court on appeal. This theory that the establishment of a building line is the taking of a property right has an important bearing upon the method by which such right may be acquired by the public, whether only by the exercise of the power of eminent domain or through the regulatory force of the police power.



Legislative Control Over Rates of a Public Utility Owned by the Municipality.—In *City of Lamar v. Town of Wiley* decided by the supreme court of Colorado, July 6th, (248 Pac. 1009), the question before the court was whether the public service commission of the state had power to control the rates charged by the city to the town for electric service. It was admitted that under the home-rule provisions of the state constitution the city held its lighting plant free from any legislative control so far as fixing the rates to its domestic consumers, but the court held that this immunity from control did not extend to power furnished to customers outside the city and that therefore the public service commission had authority to regulate the charges for extra-mural commercial lighting. Of course, in the absence of constitutional restrictions, the legislature may in its discretion include or exclude municipally

owned plants from the jurisdiction of the state public utilities commission (*Springfield Gas and Electric Co. v. Springfield*, 292 Ill. 236). But the power to own and operate its local public utilities free from legislative control is one of the assured privileges of a city enjoying a constitutional freeholders' charter. When such a city house undertakes to furnish water, light or power to customers outside its limits, its home-rule immunity ceases. The courts of Oregon have applied the same logical rule in *Hillsboro v. Public Service Commission*, 97 Or. 320, 187 Pac. 617, 192 Pac. 390.



Streets and Highways—License to Build Overhead Bridge Connecting Buildings.—In *Yale University v. New Haven*, 134 Atl. 268, decided by the supreme court of errors, July 3, the university corporation brought an action to determine what rights it had to erect and maintain a bridge over High Street connecting buildings of its Art School. The court defines the extent of the public easement, points out that any interference therewith by a private individual is a public nuisance, but declares that, under a power to regulate, the city authorities may grant a license revocable at will for such a use of the streets by private individuals as is reasonable and will not interfere with the enjoyment of the rights of travel of the public. The court concludes that the use requested is a reasonable one, to be exercised, however, only upon securing a permit from the inspector of buildings in accordance with the building ordinance.



Home Rule Charters—Annexation of Adjoining Territory.—A limitation upon the powers of cities organized under freeholders' charters analogous to that set forth in *City of Lamar v. Town of Wiley* is illustrated in *Barton v. Shickey*, decided by the Oklahoma supreme court; 248 Pac. 592. The charter of the city adopted by its people conferred upon the city authorities power to annex contiguous lands. A charter so adopted becomes the organic law of the city and supercedes all laws of the state in conflict therewith, so far as its provisions and the ordinance passed

thereunder relate to purely municipal matters. An attempt of the city acting under its charter authority to consummate such an annexation without complying with the requirement of consent by the inhabitants of the outlying district, as provided by a general statute, is held to be void. In other words, while the city may confer upon itself the power to annex, that power can be exercised only by complying strictly with the general statutes of the state. Annexation is a matter peculiarly affecting the rights of persons without the local jurisdiction and must be regulated by statutes in the general interest of the public.



Jurisdiction of Federal Courts to Enjoin Enforcement of Ordinances.—In *East St. Louis Railway Co. v. East St. Louis*, decided by the district court of the eastern district of Illinois on August 9 (13 Fed. 2nd 852), the plaintiff sought to prevent the enforcement of an ordinance of the city requiring it to remove its tracks from certain streets, alleging that the ordinance was invalid due to the enactment of the Public Utilities Acts of the state, and that the action of the city deprived the plaintiff of his property in violation of the Fourteenth Amendment. The case involved such important interests of all the cities of the state that counsel representing the city of Chicago appeared as *amici curiae*. In discussing the complaint, Lindley J. applied the well established rule, limiting original federal jurisdiction based upon the invasion of rights guaranteed the individual by the federal constitution, that the court had no power to act if the ordinance was, as the plaintiff claimed, invalid because beyond the power delegated to the city (*Barney v. New York*, 193 U. S. 421). The original jurisdiction of the federal courts to enjoin the enforcement of a valid ordinance, which is the law of the state, when it threatens to invade the rights protected by the federal constitution has been often invoked (*Mercantile Trust Co. v. Columbus*, 203 U. S. 311), but unless it clearly appears upon the pleadings that the ordinance is a valid exercise of the city's power, the special ground of federal jurisdiction in equity will not exist.



Charitable Trusts—Power of the City to Act as a Trustee.—The supreme court of Rhode Island in *City of Providence v. Payne*, 134 Atl.

R. 276 was called upon to construe a devise by one Dexter of a large plot of land to the city of Providence for the accommodation and support of the poor of the town. Objection was made that the city could not act as trustee for the inhabitants of the town, but the court applies the general rule that in absence of a statute to the contrary, a city may act as trustee under a public charitable trust created for any purpose germane to the objects of municipal incorporation. While the courts may not compel the city to accept such a trust, the legislature may deprive the city of its trusteeship and transfer it to another.¹ In the instant case, the testator provided that a stone wall be erected and maintained about the land, that certain buildings be erected thereon, and the land used for the sole purpose of the care of the poor. Upon the basis of a subsequent clause that the income rents and profits of the land be used for the same purpose, the question was raised whether the city might not lease part of the land for building lots to provide an income to support the trust. The court held that other clauses of the will made plain the intention of the testator that all the land should be used for building and grounds, and therefore the trustee had no power to devote part of it to other purposes in order to raise a fund to carry out the testator's wishes, but that its acceptance of the trust devolved upon it the duty to support the charity from the public funds.



Non-Negotiable Municipal Bonds.—In *Jones v. American Savings Bank and Trust Company*, decided July 15, 1926 (247 Pac. R. 017), the supreme court of Washington holds that public improvement bonds made payable from a specified fund are not negotiable and therefore the appellant bank gained no title to such securities which had been purchased in good faith and for value before maturity from persons who had stolen them. The majority opinion is based on the construction that the recital that the obligation is payable from the proceeds of the special tax implies the conclusion that the city issuing the bond incurs no further liability and that therefore under the provisions of the uniform negotiable instrument act, the bonds like city warrants are non-negotiable.

¹ *Dailey v. New Haven*, 60 Conn. 314.

Handley Trustees v. Winchester Memorial Hospital, 111 Va. 360.

NOTES AND EVENTS

North Carolina Commission on County Government Reports.—Last year, the Governor of North Carolina appointed, at the request of the State Association of County Commissioners, a commission on county government. This commission has now reported and its report has been adopted by the above association.

The report recommends that the counties be organized on the lines set forth below. In smaller counties functions here assigned to separate officials may be combined under one, or rearranged as the business of a particular county may demand. At first it shall be optional with each county as to how much of the reorganized scheme it wishes to adopt. The plan provided for the following:

1. A board of county commissioners, to be elected by the people for a term longer than two years, but not all the members to retire within any given year. This will give continuity of business management. It should have supervision of the entire business of the county. The board should have at least the same degree of supervision over fiscal management that the board of education, for example, has over school administration, or the road board over the construction of highways. It should have the authority to employ specially trained men to perform special functions.

2. A business manager, selected and salary fixed by the board of county commissioners. He may be chairman of the board of county commissioners, or the auditor or some other competent citizen. The duties of the business manager should be to study the entire business of the county, make reports to the commissioners, and aid the board in unifying the business and in securing the best results from the expenditure of the funds.

3. A supervisor of taxables, selected and salary fixed by the board of county commissioners. In some counties he may also be the auditor. His duties should be: (1) To keep an up-to-date record of all the sources of revenue; (2) To inspect property in every section of the county for improvements and depreciations and report the same to the board of county commissioners, and the commissioners should have authority to readjust values, at least once each

year; (3) To inspect offices receiving fees, fines forfeitures, and penalties, and report the same to the commissioners through the business manager; (4) To supervise the listing of all taxes and to appoint the list takers; (5) To prepare the tax books for the collector; and (6) To check the collector's accounts by the tax books.

4. A tax collector, selected and his salary fixed by the board of county commissioners. The commissioners also shall have authority to select his assistants. He may be the sheriff, if the commissioners desire to elect him. His duties should be to be on the job constantly, collecting the revenue from all sources. He should deposit collections daily, report periodically to the commissioners through the business manager. He should give ample bond to protect the county's funds and he should be required at the end of the fiscal year to make a complete settlement. His collections should be checked with the individual amounts due.

5. An auditor, selected and his salary fixed by the board of commissioners, whose duties should be to check all expenditures by the budget and authorize all payments, to hold each department to a strict accountability for living within the budget and to keep a daily audit of all accounts.

6. A purchasing agent, selected and his salary fixed by the board of county commissioners. His duties should be to purchase all supplies after the purchase has been approved and the proper requisition filed. In some counties he might be the auditor or a clerk in the office of the auditor.

7. A treasurer may be elected by the people or selected by the board of county commissioners. He should be the custodian of all revenue, make disbursements promptly, keep within the budget of each department, collect interest on bank balances, and keep his books in harmony with those of the auditor. He should be prohibited from paying vouchers that exceed the budget allotment.

8. A custodian of physical property, selected and salary fixed by the board of county commissioners. He may be a member of the board of county commissioners or some other member of the official family. His duties should be to report to the board the condition of the county's property and the board should hold the several

departments responsible for the care of the property.

9. The following county officers should be elected by the people and their duties should remain substantially as they are now, except where they conflict with duties assigned to officials specified above: register of deeds, sheriff, clerk of court, and coroner.

10. The several boards, such as board of education, board of health, board of agriculture, board of public welfare, highway board, etc., should be required to report annually to the board of county commissioners on how the money appropriated to each has been spent, and what service has been performed as a result.

11. The machinery for preserving law and order is referred to the president of the Bar Association to be transmitted to the appropriate committee of that association. No change is recommended, except perhaps in the nature of the reports that should be made.

12. Relation of the state to the county government.

(a) The general assembly should by a general act make it possible for any county to adopt and maintain an improved form of local government, suitable to the needs of the county.

(b) It is imperative that the general assembly adopt a policy prohibiting an individual member of the assembly from interfering with the government of his county, as set up by the people in accordance with the law, unless it shall appear to the whole general assembly that the change is demanded by the people of the county, and is in the interests of better local government. The present parliamentary procedure, which permits a representative through "common consent" to alter, modify, or abolish offices and functions, or to be exempt from the operations of state-wide legislation, sometimes as a result of a factional fight in his county, makes it difficult to maintain a good government.

(c) The general assembly should set up a state department of finance and accounting to aid counties in readjusting themselves to any improved plan, and in safeguarding functions essential to good county government, but it should be made very clear that this department shall have no control whatever over the government of the county.

(d) The general assembly should provide for the preparation of a code of county government law, and a manual on county government, embodying the law, and suggestions for organizing

government in countries of different sizes and wealth, and containing such detailed directions as may be helpful to officials in safeguarding the revenue and expenditures.



St. Louis City-County Consolidation Fails.—The proposal to consolidate the city of St. Louis and St. Louis county into one unified government failed at a special election on October 26. The rejected plan was drafted by the board of freeholders selected under the constitutional amendment of 1924. It represented a victory for the city in the board of freeholders in which the county members (with the exception of one representative who, in order to get the matter before the people, finally voted with the city group) bitterly opposed any scheme of complete consolidation.

To become effective, the measure needed an affirmative vote in both city and county. In the city the favorable majority was in the ratio of 7 to 1, but the vote in the county was 2 to 1 in the negative. Only 22 per cent of the city's registered voters turned out to the polls, but in the county, where the feeling was more spirited, 67 per cent of the registered voters voted.

If consolidation had carried, the enlarged city would have had an area of 548.37 square miles, the greatest area of any municipality in the United States. Fifty-five per cent of this area is still farm land, and uncertainty on the part of the farmers as to whether their lands would actually be taxed at an agricultural rate, lower than the urban rate, is given as one cause for the adverse vote in the county.

The St. Louis Bureau of Municipal Research estimates that the enlarged city would have had a population of 931,000; of these 110,000 reside in the county. The present tax rate is higher within the city than in the county, although the fact that there are over one hundred taxing units in the county, enjoying widely varying tax rates, makes a detailed comparison difficult.

Hostility towards consolidation was strongest in the remote suburbs. These felt that their present town governments were satisfactory and that consolidation meant a surrender of control over local affairs.

With respect to the county vote the greatest strength of the consolidationists lay in the thickly populated communities on the immediate fringe of the city. Much of this section is unincorporated territory and many residents were anx-

ious for an extension of municipal services, which consolidation would have brought.

The county districts were well organized against consolidation. According to the annexationist group the leaders of the opposition were in the main county and local politicians.

Unless a talked of initiative petition materializes it will be impossible to get the question before the voters in any form until five years have elapsed.



Ten Years Of Zoning.—In 1916 the first zoning law in this country went into effect. It was devised and adopted by Greater New York. Since that time zoning has spread to more than five hundred municipalities of the United States. Before 1916 in every city, including Greater New York, factories could be constructed in any residence or retail business district. Noise, smoke, fumes and heavy trucking blighted the surrounding area. Before 1916 a public garage or stable could locate next door to any home, apartment, or local store. This was a particular hardship to the small home-owner who was striving to pay off an instalment second mortgage and who all of a sudden saw the new garage or stable lessen the value of his home so that his equity was annihilated. The new public garage or stable next to the established drug store or jewelry shop would drive away customers. The good-will of the small storekeeper would be destroyed. Before 1916 the striker could buy a strategic lot in a home neighborhood, obtain a permit for some injurious building and then sell out at a high price to the neighbors who had no other way of protecting themselves. Before 1916 the out-of-place grocery could seize any residential corner, pushing its plate glass front out to the street line and cutting off the front lawns of the small homes already built. If the grocer succeeded, a butcher and delicatessen shop preëmpted the other corners. Then the neighborhood began to decline, having lost its distinctive residential character. Before 1916 every detached house district was insecure. In proportion as the attractiveness of such a locality increased, apartments came in.

In some cases private restrictions retarded these invasions. But private restrictions were seldom applied to protect business or apartment house districts or the home localities of people of small means. Even in the highest class residential developments the restrictions would expire in fifteen or twenty years, after which the inva-

sions would come with even greater speed. Homes would be allowed to run down so that they could be destroyed without loss as soon as the private restrictions expired. Every homeowner was compelled to start an injunction suit on the slightest violation of the restrictions, otherwise the courts would say that the restrictions had been allowed to lapse. The zoning regulations, however, are permanent until the property owners themselves petition to change them. Building departments enforce them by refusing permits for non-conforming buildings or uses.

Before 1916 skyscrapers could cover the entire lot and extend to any height desired. Enormous cornices would further darken the canyon streets. No law required the division of light and air with one's neighbors, but the first skyscraper appropriated all there was. With zoning began the new era of skyscraper architecture,—pyramid buildings instead of buildings like packing boxes set on end. The new type of high buildings has already become a predominating feature of up-town Manhattan. Streets are lighter and more attractive.

The first ten years of zoning have established its usefulness. The next ten years should make it a better instrument to prevent congestion.

EDWARD M. BASSETT.



The Albert Russel Erskine Bureau for Street Traffic Research.—The Albert Russel Erskine Bureau for Street Traffic Research, which bears the name of the president of the Studebaker Corporation of America, has been established in Harvard University for the purpose of scientific investigation of various aspects of the street traffic problem. The Bureau was created by the President and Fellows of the University as the result of a grant by the Studebaker Corporation through the interest of Mr. Paul G. Hoffman, its vice-president, and formerly president of the Los Angeles Traffic Commission.

Under the direction of the Bureau extensive investigations will be made of conditions in American cities affecting street accidents and congestion. Special attention will be given methods for the reduction of congestion, pedestrian protection, mechanical and automatic regulating devices, simplicity and uniformity in local regulation, administrative reorganization for effective traffic control, and adequate judicial processes for law enforcement. The results of these studies will be published from time to time.

Public officials dealing with street traffic matters are invited to present their special problems to the director of the Bureau who will freely give his assistance. While there has been no intention of establishing a consulting organization, officials who are confronted with street traffic problems promising valuable general conclusions, may arrange for the personal services of the director.

Two Albert Russel Erskine Research Fellowships in the Graduate School of Arts and Sciences have been established in connection with the Bureau. These fellowships pay a stipend of one thousand dollars each per year, and are designed to encourage research and a professional interest in traffic engineering. Persons holding A.B. degrees from accredited institutions and possessing other suitable qualifications are eligible for appointment.

The Bureau is under the direction of Miller McClintock, director of the Harvard University Bureau for Municipal Research. He is the author of "Street Traffic Control," and as consultant to the Los Angeles Traffic Commission was the originator of the Los Angeles Traffic Code. Dr. McClintock is also technical consultant to the Metropolitan Street Traffic Survey of the Chicago Association of Commerce and to the Traffic Survey Committee of the City and County of San Francisco.



The Gasoline Tax is now in force in forty-five states and the District of Columbia. The highest rate is five cents per gallon and is found only in Kentucky and South Carolina. The lowest rate is one cent per gallon, and is found only in Rhode Island and Texas. The modal rate, adopted by twenty-one states is two cents per gallon.

H. G. Hendricks, writing in the October *Bulletin* of the National Tax Association, points out the remarkable elasticity of the gasoline tax. Increase in rates seem always to return proportional increases in receipts. The reason is, of course, that the demand for gasoline is quite inelastic, so that a change in price of one, two or three cents per gallon seems not to affect consumption materially. Opponents of the gasoline tax in New Jersey and New York, two of the four states in which you can still buy gas tax-free, have observed in other states a tendency to increase the rate and assert that there is no telling where it will stop. In but eight states

has the rate not been increased, but in four of these the tax has been in effect only two years.

The following table reprinted from the *Bond Buyer*, gives at a glance the present rates throughout the United States.

Amount per Gallon	States	
5c	Kentucky	South Carolina
4½c	Virginia	
4c	Arkansas Florida Georgia	North Carolina Mississippi Nevada
3½c	Utah West Virginia	
3c	Arizona Idaho Indiana Maine Tennessee	New Mexico Oklahoma Oregon South Dakota
2½c	Wyoming	
2c	Alabama California Colorado Connecticut Delaware Iowa Kansas Louisiana Maryland Michigan Minnesota	Missouri Montana Nebraska New Hampshire *North Dakota Ohio Pennsylvania Vermont Washington Wisconsin (Dist. of Columbia)
1c	Rhode Island Texas	

* North Dakota recently voted on raising the gas tax from one cent to two. Unofficial advices are that the proposition carried.



The Traffic Problem plays no favorites. In village and metropolis we find police officials, city councils and chambers of commerce tortured by traffic difficulties. In various cities special traffic commissions are studying vehicle flow and devising new ways of controlling it.

The recent report of the Norfolk (Va.) Traffic Commission surveys the entire local situation. Considerable space is given to the pros and cons of parking but no principles to govern it are proposed. The commission finds that the volume of vehicle traffic passing a given spot is no measure of the value of the property for mercantile purposes, and that the central business district is in danger of decay because of the decentralizing trend towards community business centers. The defense against such decay, it is said, lies in the better regulation and routing of traffic.

Another recent traffic study made by the New York Conference of Mayors in cooperation with the Metropolitan Life Insurance Company relates to Albany, N. Y. An important feature of this report is the analysis of street accidents occurring in that city during 1925. In that year 679 automobile accidents were reported to the police. Sixty-four per cent involved pedestrians; 46 per cent happened between intersections on straight, level streets; 75 per cent occurred on dry roads, 76 per cent during clear weather; and 62 per cent in daylight. In other words, an average of about 65 per cent of all automobile accidents happened under the most favorable driving conditions possible. Only 4 per cent of the drivers involved were women.

The Progress Report of the National Highway Traffic Association's Committee on Electric Traffic Signals is another brief document which will be appreciated by officials responsible for traffic control because of the practical advice regarding location of traffic signals and traffic movement. The report is liberally illustrated with figures showing proper location of various types of signals, and explaining traffic cycles, et cetera. Methods of solving the "left turn" difficulty are shown. Although recognizing that prohibition of left turns reduces confusion at any particular intersection, the report points out that this practice materially adds to the number of turns and the total distance traveled by a vehicle in reaching a given point. The result is, therefore, to increase congestion artificially at neighboring corners.



Rochester Must Resist Temptation of Special Assessment Bonds.—The common council of the city of Rochester, N. Y., has before it a proposed "local law" which, if enacted, would authorize the issuance of special assessment improvement bonds to contractors in payment for work involving a local assessment on benefited property. These bonds would be similar in many ways to the L. I. D.'s issued out in Washington, many of which are now in default. While issued and signed by the city treasurer and comptroller, the bonds would be payable solely out of benefit assessments equal in amount to the bonds issued. Apparently, no provision is made to assure payment of all bonds of an issue in the event of there being a delinquency in assessment payments. As in the case of the Washington type of bond, bonds would be paid off in their numerical order.

Under section 4 of this "local law," the city is

given the authority to set up a "revolving fund" to buy up special assessment bonds, borrowing on the city's general credit for this purpose, but there is nothing in this section which makes it mandatory for the city to contribute to this fund.

Believing it altogether improbable that the responsible fiscal advisers of Rochester were in favor of this dangerous plan of financing public improvements, *The Bond Buyer* has sought the views of City Comptroller Joseph C. Wilson, and is in receipt of a letter from that official stating that the proposal was introduced in the common council without being submitted to the comptroller for advice and suggestion and that to date his office has not been consulted on the proposed plan or any particular feature of it. Mr. Wilson considers it a bad practice for the city to pass such a law which, as far as he has been able to get any information, has not worked out satisfactorily in cities where a similar law has been in effect.

Rochester enjoys the very highest credit rating in the bond market, despite the fact that its debt is within a slim margin of the 10 per cent constitutional limitation. To embark on this proposed plan of issuing through contractors a special assessment bond of such character as dealers in high-grade municipal issues would not care to handle would unquestionably result in the serious impairment of the general credit of Rochester, not to mention the costliness of the borrowing to the property owners upon whom the assessments were made.

It is difficult to believe that there is a genuine need for improvements so great as to justify a city like Rochester resorting to special assessment financing of this character.—*The Bond Buyer*.



Tax Classification Loses in Illinois.—The proposed amendment to the Illinois constitution permitting the legislature to classify property for taxation if a two-thirds vote of the legislature could be secured in favor of such new legislation, was defeated at the election of November 2. A favorable majority was cast for the measure, but not a majority of all those voting at the election.

Again Illinois has suffered by virtue of a difficult amending procedure. A commendable measure may receive a majority of those voting on it, but to expect that it can secure a majority of all voting at the election when the election involves a stiff fight for governor or United States senator is to covet almost the impossible.

Moreover, many saw in the carefully guarded right to classify property an entering wedge for a state income tax, as indeed it was, and those who fear an income tax voted no.



Important International Conference.—The International Congress of Administrative Sciences will hold its third meeting in June 1927 in Paris. This Congress held its first meeting in Brussels in 1910, second meeting in Brussels in 1923 and plans to hold meetings at intervals of three years. The Congress is widely attended by the leading administrators of all of the European countries, and furnishes an unusual occasion to get in touch with responsible officials in charge of public administration. The meetings are conducted ordinarily in French, but each delegate is allowed to use his own language. It is expected that a number of American administrators and students of administration will attend the Paris Congress. Correspondence with regard to the Congress should be addressed to Professor Leonard D. White, University of Chicago, Chicago, Ill.



Newport, a staid Rhode Island city, adopted a city manager charter on November 2 by an overwhelming majority. Every ward and every district of every ward voted aye. The charter now goes to the state legislature for final passage. Various officers of the League have appeared in Newport on behalf of manager government, and the Volunteer Citizens' Committee writes, "We wish to thank the National Municipal League for their valuable assistance and aid." Professor Edwin A. Cottrell, who made his home in Newport during the past winter, was resident adviser in the preparation of the charter draft.



Voting Machines Break into New York City.—More than 600 voting machines were in use at the election last month in New York City. They proved entirely satisfactory from a mechanical standpoint, and thanks to the advance educational campaign, there was little confusion among the voters facing them for the first time. A local newspaper received complete returns from one precinct two minutes after the polls closed.

Readers will recall the long, and finally unsuccessful, fight made by the Democratic organization to thwart the action of a Republican legislature which imposed the machines upon the city. Present indications are that at least 1500 more will be installed in 1927 and that by 1928 the

whole city will be equipped with the automatic counters.



Louis Brownlow, former city manager of St. Petersburg, Va., and Knoxville, Tenn., and a member of the council of the National Municipal League, will conduct a syndicated daily column in newspapers throughout the United States on the subject of municipal government. Before he was appointed commissioner of the District of Columbia in 1915, he had been for fifteen years a successful newspaper man, and his friends will be delighted to know that in returning to his first love he will make available to millions the benefits of his peculiar experience and extensive knowledge of city government. A question and answer department is to be one of the features of his column, which will be distributed by Current News Features, Inc.



Edward H. Bennett to Advise Treasury.—Secretary Mellon has announced the appointment of Edward H. Bennett of Chicago as consulting architectural specialist in connection with the public buildings work under the control of the Treasury.

Mr. Bennett is the senior member of the firm of Bennett, Parsons and Frost of Chicago, whose practice in city planning and civic embellishment extends throughout the country. He was associated with D. H. Burnham in the creation of the plans of the cities of Chicago and San Francisco, and at the present time is consulting civic-planning architect of the Chicago Planning Commission in its very extensive projects in civic planning.

Mr. Bennett's appointment will provide the Treasury with the benefit of the counsel and advice of a specialist having broad experience in the solution of problems similar to those which will arise in connection with the public buildings program of the United States government.



Flexible Traffic Signal.—The Du Ponts announce a new type of traffic signal, equipped with a swivel spring arrangement which causes it to bend forward when struck by a vehicle and bob erect again after the colliding vehicle has passed. The vital mechanism is underground where it is not damaged by collisions. The signal is so compact that it can be placed between double car tracks. The "stop" and "go" signs are so arranged that they are at the normal line of vision of the motorist. Their rotation is

regulated from a central control system. This new type of traffic signal may be synchronized to flash "stop" and "go" at the same instant, or may be wired progressively, flashing one after another as vehicles proceed down a street.

✱

The Bureau of the Census reports that in 1925, twenty-six states reduced their net debt \$6,621,000. Twenty-two states, however, increased their net debt \$125,304,000. The change during the year, therefore, amounts to an increase of \$118,683,000.

The Bureau also reports an increase of \$427,572,787 in the net debt of cities of 30,000 population or over for the year 1925, although 79 of the cities in this class showed a decrease. Atlantic City reported the largest per capita net debt, viz., \$277.98. For 1925 the expenditures of cities in this class were \$37.43 per capita.

✱

The Building Trend seems definitely to have started its swing downward. According to the United States bureau of labor statistics, the number of permits to construct residential buildings issued in 68 selected cities in the first half of 1926 numbered but 95,465 as against 117,345 for the same period of 1925. With respect to number of families provided for in new buildings the curve is likewise downward, falling in the first half of 1926 (in 65 identical cities) to 198,746 against

207,394 for the same period in 1925, and 203,037 in 1924.

✱

Direct Primary Repealer Lost.—As predicted in the last issue of the REVIEW, the proposed amendment to the Ohio constitution repealing the direct primary failed by a large majority in the election of November 2.

✱

Efforts to Reduce the Salary of City Manager Ashburner of Stockton, California, by initiative petition failed when leading business men formed a committee to spread the advantages of manager government. The measure reducing the manager's salary was thereupon defeated by a large majority.

✱

The Silly Suit to oust City Manager Carr of Fort Worth, noted in the last REVIEW as instigated by disgruntled persons, has collapsed. Mr. Carr has been leading a courageous movement to equalize tax assessments and to collect many thousands of dollars in delinquent taxes. Heretofore tax methods in Fort Worth have been very lax.

✱

By a Vote of Four to One the people of Los Angeles have recently approved water and power bonds amounting to twenty-one million dollars. The new money is for the use of the municipal water and power systems which were discussed by C. A. Dykstra in the October REVIEW.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC.,

Required by the Act of Congress of August 24, 1912,

Of NATIONAL MUNICIPAL REVIEW, published monthly at Concord, New Hampshire, for November 1, 1926, STATE OF NEW YORK, COUNTY OF NEW YORK, SS.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared H. W. Dodds, who, having been duly sworn according to law, deposes and says that he is the editor of the NATIONAL MUNICIPAL REVIEW and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are:

Publisher, National Municipal League, 261 Broadway, New York.

Editor, H. W. Dodds, 261 Broadway, New York.

Managing Editor, None.

Business Managers, None.

2. That the owner is: The National Municipal Review is published by the National Municipal League, a voluntary association, incorporated, 1923. The officers of the National Municipal League are Frank L. Polk, President; Carl H. Pförzheimer, Treasurer; H. W. Dodds, Secretary.

3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

H. W. DODDS,
Editor.

Sworn to and subscribed before me this 23rd day of November, 1926.

[SEAL] Notary Public, Westchester Co., N. Y.

Certificate files in New York Co. No. 321.

New York County Register's No. 7348. (My commission expires March 30, 1927.)

F. GEORGE BARRY.

MUNICIPAL SALARIES UNDER THE CHANGING PRICE LEVEL

By

WILLIAM C. BEYER

Director, Bureau of Municipal Research
of Philadelphia

An answer to the question whether the
salaries of municipal employees have
increased as rapidly as the cost of
living and how the increases
compare with those in
other occupations.

Supplement to the

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of cities and of workers in certain municipal departments; but, except for the higher officials, these statistics are for a single year only and therefore do not enable us to measure changes between different dates. The Municipal Information Bureau of the University of Wisconsin has collected and compiled comparative salary data for thirteen of the higher officials in the cities of that state; but these data are not available for the years prior to 1918. In 1916 the Bureau of Municipal Research of Philadelphia published a pamphlet showing for 1915 the minimum, the maximum, and the three most frequently paid intermediate rates, and the number of persons employed at each rate, for more than one hundred typical classes of workers in fourteen of the larger cities in the United States. No similar pamphlets for subsequent years, however, have been issued. The only group of city employes, other than the higher officials, for whom nationwide salary information is available for the period covered by this article are public school teachers. Both the bureau of education of our federal government and the National Education Association have collected and published comprehensive data as to teachers' salaries.¹

STUDY OF BUREAU OF MUNICIPAL RESEARCH OF PHILADELPHIA

This fragmentary information the Bureau of Municipal Research of

¹ This is, of course, not a complete catalog of the sources of information on municipal salaries in the United States; it is merely a recital of the more important sources. Many agencies throughout the country have collected comparative salary statistics on a limited scale for local purposes, but most of these collections relate only to a single year or to years subsequent to the World War and therefore do not afford a basis for measuring the changes in municipal salaries throughout the decade beginning with the outbreak of the World War.

Philadelphia tried to supplement by collecting municipal salary data for 1925 similar to those it had collected for 1915. Of the 111 typical classes of municipal employes for which information was collected ten years ago, the 45 classes were chosen which seemed to be most generally represented in municipal services. To these, two classes, professional engineers and unskilled laborers, were added. For the additional classes the 1915 as well as the 1925 information was collected. This gave us 47 classes as a basis for comparing salary changes from 1915 to 1925. The cities included in the study of ten years ago and also included in the recent study are New York, Philadelphia, Detroit, Boston, Baltimore, Pittsburgh, Buffalo, San Francisco, Milwaukee, Cincinnati, and Minneapolis. In order to bring Chicago also into comparison, salary data were collected for both years for that city. Finally, to make the statistics for 1915 more complete, the payrolls for that year were re-examined for those cities that employed, and for those classes that included, any substantial number of workers who were on the payroll at rates other than the minimum, the maximum, and the three most frequently paid intermediate rates. In compiling the 1925 information, the Bureau at the outset included all the rates of pay and noted the number of persons employed at each rate whenever possible.²

² A word of caution in the introduction to the pamphlet containing the 1915 salary data should be repeated here, for it applies equally to the data collected and compiled for 1925:

"One of these limitations [of the data collected] arises from the lack of correlation of titles and duties, which is one of the shortcomings in all cities where the service has not been standardized. It naturally was impossible to tell from the payroll whether a position bearing the title 'inspector' involved real inspectional duties.

or whether the incumbent performed mere clerical work, as is often the case. For the purpose of this investigation, however, it is sufficient to know that the appropriating body has fixed a certain rate of compensation for inspectors, no matter what may be the actual work of the individuals drawing salaries as such." Bureau of Municipal Research of Philadelphia, *Comparative Salary Data*, pp. 3-4.

SWEEPING GENERALIZATIONS DANGEROUS

Even with this supplementary information, however, it is dangerous to make sweeping generalizations about changes in municipal salaries in the United States during the last ten years. For the rank and file of municipal employes in the vast majority of cities we have no information whatever. Such data as are available for the larger cities relate only to selected groups of officials and employes, not to all public servants in municipal employ. While these selected groups are important and typical, it is nevertheless a bit hazardous to assume that other groups fared exactly as they did. The best that can be done under the circumstances appears to be to arrive at approximations for municipal workers in the larger cities only and to present fragmentary data about the higher officials in smaller cities.

CHANGES IN THE GENERAL LEVEL OF MUNICIPAL SALARIES

From such information, then, as we have, let us inquire, in the first place, how the changes in the general level of municipal salaries in the United States during the last ten years compare with the changes in the cost of living during that period.

SCOPE OF DATA COMPILED BY PHILADELPHIA BUREAU

Our reliance for light on this phase of the subject must be the comparative salary and wage data of the Bureau of

Municipal Research of Philadelphia previously mentioned. These data relate to two general groups of municipal workers. One of these groups includes 44 typical classes of employes, none of which is so large as to overshadow the other classes. For convenience, we may call this the "representative group." The other group, which may be called the "special group," includes patrolmen (in the police service), hosemen and laddermen (in the fire-fighting service), and unskilled laborers. Each of these three classes is numerically so large that it would tend to obscure the smaller classes in a weighted general average. Hence, they are dealt with separately. The following is a list of the classes in the two groups just described:

THE REPRESENTATIVE GROUP

Clerical service

Messengers
Stenographers (exclusive of head stenographers)

Custodial service

Janitors (exclusive of foremen)
Watchmen

Fire-fighting service

Chief engineers
Deputy chief engineers
Battalion chiefs
Captains
Lieutenants
Steam engineers

Inspectional service

Building inspectors (exclusive of chiefs)
Electrical inspectors (exclusive of chiefs)
Elevator inspectors (exclusive of chiefs)
Food inspectors (exclusive of chiefs)
Milk inspectors (exclusive of chiefs)
Plumbing inspectors (exclusive of chiefs)
Sanitary inspectors (exclusive of chiefs)

Skilled-labor service

Blacksmiths (exclusive of helpers and foremen)
Chauffeurs
Elevator operators (exclusive of chiefs)
Hostlers
Machinists (exclusive of helpers and foremen)
Painters (exclusive of foremen)

Health, scientific, and investigational service

- Apothecaries (exclusive of chiefs)
- Bacteriologists (exclusive of chiefs)
- Chemists (exclusive of chiefs)
- Chief civil service examiners
- Disinfectors (exclusive of chiefs)
- Hospital nurses (all grades of trained nurses)
- Laboratory assistants

Engineman service

- Coal-passers
- Firemen or stokers
- Oilers
- Enginemen in pumping stations (exclusive of chiefs)
- Enginemen not in pumping stations (exclusive of chiefs)

Police service

- Superintendents of police
- Captains
- Lieutenants
- Sergeants or Corporals
- Detectives (exclusive of higher officers)
- Police matrons

Engineering service

- Engineers (all classes and grades, but not including chiefs)
- Draftsmen (all classes and grades, except architectural draftsmen and chiefs)
- Rodmen
- Transitmen

SPECIAL GROUP

- Patrolmen (police service)
- Hosemen and laddermen (fire-fighting service)
- Unskilled laborers (exclusive of foremen)

LIST OF CLASSES IN REPRESENTATIVE
GROUP NOT IDEAL

The list of classes in the representative group, it must be frankly admitted, is not ideal for its purpose; but it should not lead us far astray. While, for example, the higher official positions are not adequately represented, they are not sufficiently important numerically in municipal services to have any appreciable influence on general averages. On the other hand, had a greater number of these positions been included, our data would have been

rendered less comparable, for executives rarely have the same responsibilities in different cities. Doubtless, too, the list may overemphasize some services and underemphasize others; but the general average of increases probably is not greatly affected thereby. One large class, public school teachers, has been entirely omitted, because in many cities the public schools are not under the control of the regular municipal authorities, and also because school teachers are not regarded as municipal employes in the same sense as the other classes.

BONUS PAYMENTS IN SOME CITIES

Attention should be directed to the fact that certain groups of employes in Philadelphia and Buffalo at present receive bonuses in addition to their regular salaries. These bonuses are an inheritance from the period of the war. Many cities at that time adopted the expedient of meeting the rising cost of living by bonus payments, but since the drop in prices in 1920 the tendency has been to do away with bonuses, either by consolidating them with the regular salaries or by dropping them altogether. In Philadelphia, however, bonuses are still paid in most of the departments and bureaus of the city government to employes receiving \$4,000 a year or less.¹ These bonuses are a percentage of the regular compensation and vary from 20 per cent for the lowest salary grades to 5 per cent for the highest. The city of Buffalo pays a bonus of \$300 a year to all employes receiving an annual compensation of \$3,000 or less. For both Philadelphia and Buffalo the figures shown in the tables in this article include the bonuses.

¹ In the budget for 1926, this has been changed so that no city employe receiving an annual salary of more than \$2,500 will receive a bonus.

REPRESENTATIVE GROUP BEHIND COST
OF LIVING

To what extent the salaries of those classes of municipal employes which are included in the representative group have been increased from 1915 to 1925 may be gleaned from Table I. It will

is within these limits, the exact figure being 60.87 per cent. During the same period, it will be recalled, the cost of living in the United States increased 68.4 per cent.³ In other words, the purchasing power of the average salary of these classes of municipal workers

TABLE I
AVERAGE (WEIGHTED) ANNUAL COMPENSATION OF CLASSES IN REPRESENTATIVE
GROUP IN 1915 AND 1925, IN TWELVE CITIES

Cities	Population in 1920	1915		1925		Increase	
		No. of employees	Average annual pay	No. of employees	Average annual pay	Amount	Per cent
All cities.....		16,054	\$1,399.34	18,942	\$2,251.05	\$851.71	60.87
New York.....	5,620,048	7,170	1,542.09	7,645	2,528.64	986.55	63.97
Chicago.....	2,701,705	2,091	1,585.79	2,767	2,485.54	899.75	56.74
Philadelphia.....	1,823,779	1,910	1,120.09	1,975	1,755.17	635.08	56.70
Detroit.....	993,678	429	1,338.30	1,224	2,132.55	794.55	59.37
Boston.....	749,060	851	1,100.81	911	1,754.14	653.33	59.35
Baltimore.....	743,826	713	1,063.00	838	1,680.20	597.20	56.18
Pittsburgh.....	588,343	760	1,277.39	877	2,089.07	811.68	63.54
Buffalo.....	506,775	426	1,351.40	663	2,144.53	793.13	58.69
San Francisco.....	506,676	346	1,522.68	469	2,397.08	874.40	57.43
Milwaukee.....	457,147	440	1,235.64	591	1,992.92	757.28	61.29
Cincinnati.....	401,247	563	1,184.32	602	1,744.55	560.23	47.30
Minneapolis.....	380,582	355	1,127.61	380	2,054.26	926.15	82.18

TABLE II
AVERAGE (WEIGHTED) ANNUAL COMPENSATION OF PATROLMEN IN 1915 AND 1925
IN ELEVEN CITIES

Cities	1915		1925		Increase	
	No. of employees	Average annual pay	No. of employees	Average annual pay	Amount	Per cent
All cities.....	20,720	\$1,218.78	27,845	\$2,083.02	\$866.32	71.20
New York.....	9,440	1,303.35	12,121	2,186.27*	802.92	58.04
Chicago.....	3,607	1,250.49	5,120	2,000.00*	749.51	59.94
Philadelphia.....	3,190	989.45	4,200	1,906.23	916.78	92.66
Detroit.....	877	1,178.45	2,019	2,359.44	1,180.99	100.22
Baltimore.....	790	1,020.42	1,250	1,658.49	638.07	62.53
Pittsburgh.....	695	1,080.00*	698	2,007.16	927.16	85.85
Buffalo.....	611	1,194.47	813	1,948.76	754.29	63.15
San Francisco.....	762	1,464.00	870	2,400.00	936.00	63.93
Cincinnati.....	536	1,069.66	397	1,616.78	547.12	51.15
Minneapolis.....	212	1,095.67	357	1,971.09	875.52	79.91

* Average of sliding scale.

be observed that the increases vary from city to city and range from 47.30 per cent in Cincinnati to 82.18 per cent in Minneapolis. In ten of the twelve cities, however, the increases lie between 56 and 64 per cent. The average increase for all the cities, too,

has declined to approximately 95.5 per cent of what it was ten years ago. Generally speaking, therefore, these

³ This is the increase for the country as a whole. In many cities the increase was greater. According to the U. S. Bureau of Labor statistics, from December, 1914, to June, 1925, the cost

municipal salaries have not kept pace with the cost of living, but neither have they remained far behind.

SPECIAL GROUP MORE FORTUNATE

The classes in the special group appear to have been more fortunate

average salary of \$1,216. Hosemen and ladder men have advanced from an average annual salary of \$1,187 in 1915 to an average annual salary of \$2,022 in 1925, an increase of 70.28 per cent. (See Table III.) Unskilled laborers have fared even better than

TABLE III
AVERAGE (WEIGHTED) ANNUAL COMPENSATION OF HOSEMEN AND LADDERMEN
IN 1915 AND 1925 IN ELEVEN CITIES

Cities	1915		1925		Increase	
	No. of employees	Average annual pay	No. of employees	Average annual pay	Amount	Per cent
All cities.....	8,481	\$1,187.44	12,724	\$2,021.97	\$834.53	70.28
New York.....	3,753	1,262.80	4,852	2,080.00*	817.20	64.71
Chicago.....	1,307	1,198.74	1,644	2,050.00*	851.26	71.01
Philadelphia.....	646	1,000.00*	1,514	1,975.56	975.56	97.56
Detroit.....	436	1,159.40	1,026	2,350.88*	1,191.48	102.77
Baltimore.....	384	900.00	984	1,500.00	600.00	66.67
Pittsburgh.....	431	1,080.00*	502	2,040.00	960.00	88.89
Buffalo.....	355	1,170.93	738	1,950.00	779.07	66.53
San Francisco.....	422	1,320.00*	453	2,373.25	1,053.25	79.79
Milwaukee.....	339	1,060.00	464	1,860.00*	800.00	75.47
Cincinnati.....	210	1,152.00	298	1,610.60	458.60	39.81
Minneapolis.....	198	1,152.00	249	2,027.95	875.95	76.04

* Average of sliding scale.

TABLE IV
AVERAGE (WEIGHTED) ANNUAL COMPENSATION OF ALL CLASSES OF MUNICIPAL WORKERS
IN 1915 AND 1925 IN TWELVE CITIES

Groups and classes	1915		1925		Increase	
	No. of employees	Average annual pay	No. of employees	Average annual pay	Amount	Per cent
All groups and classes.....	65,255	\$1,109.43	86,511	\$1,912.04	\$802.61	72.34
Representative group.....	16,054	1,399.34	18,942	2,251.05	851.71	60.87
Patrolmen.....	20,720	1,216.78	27,845	2,083.02	866.24	71.19
Hosemen and laddermen.....	8,481	1,187.44	12,724	2,021.97	838.53	70.28
Unskilled laborers.....	20,000 ^o	732.42*	27,000 ^o	1,446.06†	713.64	97.44

^o Estimated.

* Daily rate of \$2.34 multiplied by 313.

† Daily rate of \$4.62 multiplied by 313.

than the classes in the representative group. Patrolmen, as is shown in Table II, now receive an average annual salary of \$2,083, which is 71.20 per cent higher than their 1915 annual

of living increased 75.8 per cent in New York, 77.1 per cent in Chicago, 77.6 per cent in Philadelphia, 84.5 per cent in Detroit, 65.8 per cent in Boston, 77.3 per cent in Baltimore, and 97.7 per cent in Buffalo.

patrolmen and hosemen and laddermen. While our information about unskilled laborers is meagre, such data as we have seems to indicate that the average of the prevailing rates of this class of workers has advanced about 97 per cent from 1915 to 1925. All three of these classes have had general average increases greater than the increase in the cost of living during the same period.

GENERAL AVERAGE INCREASE EXCEEDS
INCREASE IN COST OF LIVING

It is probable that the average increase in compensation for all municipal workers during the ten-year period from 1915 to 1925 was slightly greater than the increase in the cost of living. In Table IV an effort has been made to combine into a single average the separate averages for the representative group and the three classes in the special group. To do this, it was necessary to give an arbitrary weighting to the class of unskilled laborers, for information as to the exact number of laborers in the various cities was not available. On the assumption that the number of unskilled laborers in cities is approximately the same as the number of patrolmen—a conservative assumption—the same weighting, in round numbers, was given to the class of unskilled laborers as the one used for patrolmen. From this computation, it would appear that the average annual compensation of all classes of municipal workers is now 72.34 per cent higher than it was in 1915, or well on a par with the new general level of living costs. It is not necessarily, however, on a par with the new level of living costs in individual cities.

CHANGES IN SALARY LEVELS OF INDIVIDUAL CLASSES

Having ventured our statistical guess as to the change in the general level of municipal salaries during the last ten years, we may now inquire what changes have occurred in the salary levels of individual classes of workers.

LOWEST SALARY GRADES GOT BIGGEST INCREASES

In general it may be said that the classes in the lower salary grades received the biggest proportionate increases, and the classes in the higher salary grades received the smallest

proportionate increases. How emphatically this is true may be ascertained at a glance from Table V. In this table the classes are listed in the order of their increases, those having received the highest percentage of increase coming first. It would almost seem, however, that they were listed according to salary rank, those having received the lowest average salaries in 1915 coming first. For example, oilers head the list with the highest percentage of increase, but in 1915 they ranked well toward the bottom of the salary scale; on the other hand, chief engineers of fire-fighting forces are at the foot of the list with the lowest percentage of increase, but in 1915 they received the highest average salary.

This is merely a statistical confirmation of a tendency that was clearly observable during and immediately after the World War. Under the stress of high living costs, municipal legislative bodies came first to the rescue of the lower paid employees—"the little fellows," as the chairman of the finance committee of councils in Philadelphia called them when he sponsored a measure for their relief in 1917. Since these employees were least able to maintain themselves and their families on their pre-war salaries, it was quite natural that they should have been given prior consideration.

LARGEST INCREASES TO MANUAL WORKERS

The largest increases appear to have gone to manual workers. Among the classes whose salaries have been advanced more than 80 per cent since 1915 are enginemen, painters, watchmen, janitors, hostlers, coal-passers, firemen or stokers, and oilers. Unskilled laborers, hosemen and ladder-men, and patrolmen, with their increases ranging from 70.85 per cent to 97.44 per cent, also belong in the group

of those who not only held their own with the cost of living, but managed to get ahead of it.

PROFESSIONAL AND SCIENTIFIC WORKERS LAG BEHIND

Conspicuous among the less favored classes are the professional and scientific workers. Chief examiners of civil service commissions have been increased only 52.94 per cent; chemists, only 50.20 per cent; bacteriologists, only 44.77 per cent; and engineers of all branches of the profession, only 40.94 per cent. Draftsmen and transit-

men, too, have lagged far behind the cost of living; but, being in the lower salary grades, they have been accorded somewhat higher proportionate increases than the other classes just mentioned.

THE "REVOLT" OF THE MUNICIPAL ENGINEERS

In passing, it might be observed that not all of these classes have suffered in silence. The engineers, who constitute the largest professional group in our municipal service, have not only felt keenly the hardship to which they have

TABLE V
AVERAGE (WEIGHTED) ANNUAL COMPENSATION OF CLASSES IN THE REPRESENTATIVE
GROUP IN 1915 AND 1925, BY CLASSES

Classes	1915		1925		Increase	
	No. of employees	Average annual pay	No. of employees	Average annual pay	Amount	Per cent
All classes.....	16,054	\$1,399.34	18,942	\$2,251.05	\$851.71	60.87
Oilers.....	310	822.45	320	1,853.60	1,031.15	125.38
Firemen or stokers.....	880	932.92	767	1,927.14	994.22	106.57
Coal passers.....	145	829.94	87	1,680.99	851.05	102.54
Hostlers.....	390	824.85	252	1,595.26	770.41	93.40
Enginemen (not in pumping stations).....	447	1,298.72	569	2,496.47	1,197.75	92.23
Janitors.....	306	785.71	389	1,481.78	696.07	88.59
Watchmen.....	361	733.69	332	1,374.98	641.29	87.41
Painters.....	246	1,197.84	158	2,206.33	1,008.49	84.19
Enginemen (in pumping stations).....	340	1,359.47	383	2,433.79	1,134.32	83.44
Rodmen.....	233	1,035.65	369	1,677.03	741.38	79.24
Machinists.....	178	1,101.89	189	1,942.20	840.31	76.26
Hospital nurses.....	963	751.29	1,564	1,323.70	572.41	76.19
Elevator operators.....	153	856.79	297	1,507.65	650.86	75.96
Apothecaries.....	29	949.66	42	1,642.55	692.89	72.96
Messengers.....	188	941.34	171	1,599.35	658.01	69.90
Laboratory assistants.....	123	749.41	146	1,256.16	506.75	67.62
Steam engineers (fire service).....	1,225	1,455.56	1,035	2,434.83	979.27	67.28
Plumbing inspectors.....	178	1,432.30	219	2,373.21	940.91	65.69
Transitmen.....	220	1,283.73	258	2,070.99	787.26	61.33
Elevator inspectors.....	81	1,296.54	130	2,090.00	793.46	61.20
Lieutenants (fire service).....	1,080	1,641.00	1,276	2,640.76	999.76	60.92
Stenographers.....	883	1,036.33	1,157	1,657.97	621.64	59.98
Sergeants (police).....	1,783	1,578.80	2,319	2,510.33	931.53	59.00
Food inspectors.....	265	1,271.95	241	1,982.44	710.49	55.86
Police matrons.....	79	823.67	89	1,279.10	455.43	55.29
Milk inspectors.....	50	1,164.54	45	1,806.80	642.26	55.15
Blacksmiths.....	98	1,277.22	129	1,954.57	677.35	53.03
Chief civil service examiners.....	5	3,060.00	5	4,680.00	1,620.00	52.94
Sanitary inspectors.....	267	1,223.92	251	1,861.18	637.26	52.07
Draftsmen.....	171	1,381.76	701	2,098.77	717.01	51.89
Chauffeurs.....	175	1,052.35	146	1,597.03	544.68	51.76
Electrical inspectors.....	35	1,375.14	75	2,072.71	697.57	50.73
Chemists.....	102	1,563.73	77	2,348.66	784.93	50.20
Captains (fire service).....	878	1,913.44	1,030	2,867.65	954.21	49.87
Building inspectors.....	357	1,504.90	442	2,221.72	716.82	47.63
Bacteriologists.....	77	1,438.12	93	2,081.98	643.86	44.77
Detectives.....	374	1,808.82	884	2,589.49	780.67	43.16
Superintendents of police.....	12	4,877.08	12	6,980.00	2,102.92	43.12
Lieutenants (police).....	884	2,035.31	1,038	2,900.23	864.92	42.50
Engineers.....	639	2,284.02	750	3,219.12	935.10	40.94
Battalion chief (fire).....	152	2,674.21	244	3,666.43	992.22	37.10
Captains (police).....	188	2,698.78	206	3,484.95	886.17	34.10
Deputy chief engineers (fire service).....	32	3,863.38	43	4,847.72	984.34	25.48
Chief engineers (fire service).....	12	5,071.17	12	6,130.00	1,058.83	20.88

been subjected, but have voiced their grievances publicly in order to secure redress. In New York many of the engineers of the lower grades formed themselves into an "Association of Engineers" for the special purpose of securing an increase in compensation. Last summer this association memorialized the board of estimate and apportionment for a 25 per cent advance in salaries to take effect in the 1926 budget. A resolution was adopted by the association placing it on record as being opposed to a strike or walkout to obtain increases in pay. More drastic action was taken by a similar organization in Chicago, known as the "Engineering Employes' Association." Besides petitioning the mayor and the city council for an adjustment of salaries which would restore their pre-war purchasing power, the members of this association went on a three-day "vacation." Public opinion appears to be with the engineers.

EXECUTIVE OFFICIALS ALSO LAG BEHIND

Executive officials, too, have received but scant consideration. While only a few such officials are listed in Table V, those that are listed appear to have received the smallest increases. Chief engineers, deputy chief engineers, and battalion chiefs of fire-fighting forces, for example, have had increases ranging from as little as 20.88 per cent to not more than 37.10 per cent. Police officials above the rank of sergeant have been somewhat more fortunate, but even their increases have not exceeded 42.50 per cent. What is indicated by this sample information in Table V is borne out also by a comparison of the 1915 salaries of department heads in the three largest cities with their 1925 salaries. Although individual increases varied from zero to 200 per cent, the average increase for all

department heads during the ten-year period was only 44.73 per cent in Chicago, 42.19 per cent in New York, and 15 per cent in Philadelphia.⁴

LOW INCREASE FOR OFFICIALS IN 205 CITIES

Still further evidence that executive officials have not been dealt with generously is furnished by the United States bureau of the census. In its publication on *General Statistics of Cities: 1915* it gave the 1915 salaries of the following officials in the 205 cities in the United States having a population of over 30,000; mayors, city clerks, comptrollers, auditors, treasurers or chamberlains, collectors of revenue, assessors, city attorneys or solicitors, city engineers, and several others. Similar information for 1923 is contained in a later report by the same bureau.

In Table VI is shown a comparison of the salaries of these officials in the two years mentioned. It will be noted that the increases range from 27.6 per cent for treasurers or chamberlains to 38.9 per cent for auditors, and that the average increase for all the officials included in the comparison was only 34.6 per cent. That additional increases were granted to them since 1923 is unquestionably true, but the general level of their salaries is probably not much higher than it was two years ago.

EXECUTIVE OFFICIALS IN WISCONSIN CITIES

As an isolated sample, which tends also to confirm our thesis about executive salaries, we may cite what happened in cities in Wisconsin having a population of over 1,000. From data collected for 1918 and 1925 by the Bureau of Municipal Information of

⁴ This comparison includes 45 officials in New York, 16 officials in Chicago, and 10 officials in Philadelphia.

the University of Wisconsin, it is possible to compare the salaries paid in these two years to the following thirteen officials in those cities: mayors, city clerks, city treasurers, city attorneys, city engineers, street superintendents, health officers, water works superintendents, electric plant superintendents,

we must take account of the fact that there doubtless were many changes upward during the last ten years that occurred before 1918.

SUMMARY

In summarizing our findings with reference to different classes of munic-

TABLE VI

AVERAGE (WEIGHTED) ANNUAL COMPENSATION OF OFFICIALS IN CITIES OF THE UNITED STATES HAVING A POPULATION OF OVER 30,000 IN 1915 AND 1923

Officials	No. of officials	1915	1923	Increase	
		Average annual pay	Average annual pay	Amount	Per cent
All officials.....	1,054	\$2,744.33	\$3,692.93	\$948.60	34.6
Mayors.....	97	3,794.85	5,251.55	1,456.70	38.4
City clerks.....	158	2,223.23	3,015.61	792.28	35.6
Comptrollers.....	74	3,004.05	4,034.41	1,030.36	34.3
Auditors.....	38	2,300.80	3,195.86	895.06	38.9
Treasurers.....	151	2,449.67	3,126.40	676.73	27.6
Collectors of revenue.....	36	3,055.00	3,950.00	895.00	29.3
Assessors.....	74	2,091.59	2,778.92	687.33	32.9
City attorneys or solicitors.....	194	2,950.67	3,938.34	987.67	33.5
City engineers.....	182	2,996.43	4,102.79	1,106.36	36.9

TABLE VII

AVERAGE (WEIGHTED) ANNUAL COMPENSATION IN 1918 AND 1925 OF OFFICIALS IN WISCONSIN CITIES HAVING A POPULATION OF OVER 1,000

Officials	No. of officials	1918	1925	Increase	
		Average annual pay	Average annual pay	Amount	Per cent
All officials.....	957	\$754.86	\$1,152.90	\$398.04	52.73
Mayors.....	79	691.86	963.19	271.33	39.22
City clerks.....	111	828.69	1,236.08	407.39	49.16
City treasurers.....	111	617.12	826.90	209.78	33.99
City attorneys.....	93	575.75	817.31	241.56	41.96
City engineers.....	36	1,537.22	2,397.11	859.89	55.94
Street superintendents.....	54	1,023.50	1,749.07	725.57	70.89
Health officers.....	101	371.24	669.15	297.91	80.25
Waterworks superintendents.....	62	1,257.77	2,095.81	838.04	66.63
Electrical superintendents.....	3	1,160.00	1,966.67	806.67	69.54
Police chiefs.....	114	1,020.37	1,465.60	445.23	43.63
Fire chiefs.....	67	646.28	999.27	352.99	54.62
Assessors.....	91	463.08	773.79	310.71	67.10
Sealers of weights and measures.....	35	639.54	960.63	321.09	50.21

police chiefs, fire chiefs, assessors, and sealers of weights and measures. During the seven-year period under consideration, the salary increases of these officials ranged from 33.99 per cent for city treasurers to 80.25 per cent for health officers, and averaged 52.73 per cent. (See Table VII.) Here again

ipal workers, it seems fair to say that, with the exception of unskilled laborers, patrolmen, hosemen and laddermen, and a few other of the lower paid groups, all classes have suffered a reduction in the purchasing power of their salaries during the last ten years; that the largest proportionate increases

have gone to the lowest paid employes, and the smallest proportionate increases have gone to the highest paid cities having a population of 10,000 or more, but not including New York, have been increased as follows:

<i>Class of teachers</i>	<i>Size of cities</i>	<i>Per cent of increase</i>
Elementary school teachers	Over 100,000	128.50
	30,000 to 100,000	128.40
	10,000 to 30,000	126.80
Junior high school teachers	Over 100,000	141.88
	30,000 to 100,000	117.88
	10,000 to 30,000	116.97
Senior high school teachers	Over 100,000	83.70
	30,000 to 100,000	86.05
	10,000 to 30,000	87.78

employes; and that the scientific and professional classes, together with the higher officials, have fared relatively worse than other classes.

MUNICIPAL EMPLOYEES COMPARED WITH OTHER GROUPS

Our third, and last, question is: How have municipal employes fared in compensation as compared with workers in other fields of employment? It is especially difficult to answer this question. For most groups of workers, information about salaries is even less available outside the municipal service than inside. Enough is available, however, to give us some general indications of what the facts really are.

LARGE INCREASE FOR PUBLIC SCHOOL TEACHERS

Public school teachers comprise one of the groups with which comparison may be made. This group appears to have been dealt with much more generously than the average municipal workers. According to a computation by the National Education Association, the average salary of teachers in the public schools of the United States has advanced from \$543 in 1915 to \$1,226 in 1924, an increase of 125.78 per cent. During the period 1913-1914 to 1924-1925, median salaries of teachers in

The average salary of municipal workers, exclusive of patrolmen, hosemen and laddermen, and unskilled laborers, it will be recalled, has been increased only 60.87 per cent from 1915 to 1925.

RAILROAD WORKERS BEAT COST OF LIVING

Another large group for which comparative information is available are the steam-railway workers of the United States. These, too, seem to have been more fortunate than municipal workers. The average annual compensation of all steam railway officials and employes, according to the Bureau of Railway Economics, was \$828.71 in 1915 and \$1,613.65 in 1924, the increase during the nine-year period being 94.72 per cent. Unfortunately, because of a change in the classification of railway workers in 1921, it has not been possible to compare the 1915 rates with those of 1924 by smaller groups.

EARNINGS OF INDUSTRIAL WORKERS

Although it would not be fair to compare salaried municipal employes with wage-earners in private industry, it should nevertheless be worth noting what the increase in pay for wage-earners has been. According to the National Industrial Conference Board, the average hourly earnings of wage-

earners in 23 industries in the United States advanced from 24.5 cents in July, 1914, to 56.1 cents in September, 1924. This gives an average increase of about 129 per cent. In individual industries the increases are shown to be as follows: in iron and steel manufacturing, 143 per cent; agricultural implement manufacturing, 117 per cent; automobile manufacturing, 122 per cent; electrical apparatus manufacturing, 117 per cent; foundry and machine shop products, 113 per cent; cotton manufacturing—north, 162 per cent; cotton manufacturing—south, 162 per cent; hosiery and knit goods manufacturing, 128 per cent; silk manufacturing, 146 per cent; wool manufacturing, 180 per cent; leather tanning and finishing, 133 per cent; boot and shoe manufacturing, 129 per cent; chemical manufacturing, 134 per cent; fertilizer manufacturing, 187 per cent; paint and varnish manufacturing, 81 per cent; paper and wood pulp manufacturing, 124 per cent; paper products manufacturing, 171 per cent; printing and publishing—book and job, 126 per cent; printing and publishing—newspaper and periodical, 120 per cent; furniture manufacturing, 131 per cent; lumber manufacturing and mill work, 138 per cent; meat packing, 133 per cent; and rubber manufacturing, 152 per cent.

CHANGES IN UNION WAGE SCALES

A recent report of the United States bureau of labor statistics on union wage scales closely corroborates the findings of the National Industrial Conference Board. This report gives an index of union wage rates in eleven trades and occupations in the United States: bakers trades; building trades; chauffeurs and teamsters and drivers; freight-handlers; granite and stone trades; laundry workers; linemen; metal trades; mill work; printing and publishing—book and job; and print-

ing and publishing—newspaper. According to this index, hourly union wage rates increased 128.1 per cent from 1913 to 1924. This tallies closely with the increase of 129 per cent in the hourly earnings of industrial workers from 1914 to 1924 as reported by the National Industrial Conference Board.

The classes in municipal service most nearly comparable to industrial workers received smaller increases. It will be recalled that the increase for patrolmen was 71.20 per cent; for hosemen and laddermen, 70.28 per cent; and for unskilled laborers, 97 per cent. All of these increases fall well below the general average increase of 129 per cent for wage earners in private industry.

SALARIED WORKERS—SOME IMPRESSIONS

Sufficient data are not available to make possible a comparison of the increases in pay of salaried workers in municipal service with those of salaried workers in private employ, but a few impressions may be worth recording. Ten years ago, the writer recalls quite vividly, it was generally believed that public employes, including municipal workers, were overpaid—that is, paid more generously than their fellows in private establishments. For this belief there was at least the semblance of foundation. In Philadelphia, for example, manual and clerical workers were paid considerably more in the city service in 1915 than in private concerns. The committee on civil service of the senate of the state of New York reported in 1916 that there was a great deal of overpayment in the service of that state. As late as 1918, an investigation in Seattle, Washington, for the civil service commission of that city, revealed that many employes in the city government were receiving higher salaries than similar workers in private employment.

CHANGED PUBLIC ATTITUDE

Today one hears very little talk about overpayment in the public service; in fact, the more general impression seems to be that public employes are underpaid. When groups of government workers, including municipal employes, appeal publicly for higher pay, the newspapers usually come to their support. This was notably true when the municipal engineers of New York and Chicago placed their cause before the public. An editorial comment which appeared in one of the Philadelphia dailies⁵ may be cited as typical of the newspaper attitude toward the action of the engineers. It reads as follows:

Organization of the 3,500 engineers in the employ of the various departments of the New York city government to demand compensation more in keeping with the training required and the responsibilities imposed by their position,

⁵ The Evening Bulletin, July 19, 1925.

is novel. But it ought not to be surprising. They assert that seventy-six per cent of their number receive less per diem than the city mechanics, and ten per cent of them less than laborers.

Engineers in the employ of the municipal departments in Philadelphia are not treated quite as badly as that. But there isn't an engineer in the ranks in the various departments who is competent to hold his job, who couldn't get fifty per cent more compensation in private employ. Some of them could double or triple their city stipend.

What makes them stay? For some it is the indefinable lure of a city job, which is supposed to carry with it perquisites of easy work or something other that does not go with private employ. For some it is the steadiness of employment, for the engineer particularly, in contrast with private enterprise which might keep him moving about. Of course, there must be some compensation. But, even at that, government, city, state or nation, is not a liberal employer when dealing with its technically equipped servants. And yet there is frequently heard the complaint that government can't get the service of the best, which it should have. The fault is not entirely a matter of politics.

TABLE VIII

ANNUAL COMPENSATION IN 1920 OF CERTAIN CLASSES OF MUNICIPAL WORKERS IN PHILADELPHIA COMPARED WITH ANNUAL COMPENSATION OF CORRESPONDING CLASSES IN PRIVATE ESTABLISHMENTS OF PHILADELPHIA *

Classes	Average annual compensation		Excess of private pay over city pay	
	In private service	In the city service	Amount	Per cent
Assistant electrical engineer	\$2,741	\$2,000	\$741	37.1
Assistant mechanical engineer	2,488	2,180	308	14.1
Assistant structural engineer	3,033	2,556	477	18.7
Blacksmith	1,837	1,381	456	33.0
Boiler inspector	1,800	1,680	120	7.1
Boiler maker	2,239	1,767	472	26.7
Chauffeur	1,565	1,206	359	29.7
Electrical worker	1,603	1,475	128	8.7
Elevator repairman	2,572	1,299	1,273	98.0
Engineering field aid	1,646	1,413	233	16.5
Head engineman	2,370	1,823	547	30.0
Junior engineering aid	1,351	1,078	273	25.3
Laboratory assistant	1,413	1,231	182	14.8
Laborer (general)	1,258	1,118	140	12.5
Office boy	638	540	98	18.1
Registered nurse	1,115	761	354	46.5
Senior electrical engineer	3,600	2,300	1,300	66.5
Senior assistant structural engineer	3,972	3,106	866	27.9
Sheet metal worker	1,768	1,580	188	11.9
Surveyor/engineer	6,240	4,500	1,740	38.7

* Copied from a statement published by the Bureau of Municipal Research of Philadelphia in its weekly bulletin, *Citizens' Business*, No. 433, November 18, 1920.

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GERMAN CITIES SINCE THE REVOLUTION OF 1918

BY DR. MITZLAFF

Formerly Chief Burgomaster of Berlin; Vice-president of the Reichswirtschaftsrat (National Economic Council); Secretary of the Deutscher Städtetag (German Municipal Association), 1919-1926.

This article has been translated into English by Mr. John B. Mason of Indianapolis, with some revision by Professor William B. Munro of Harvard University. :: :: :: :: :: :: ::

Summary. The traditional home-rule powers of German cities were little affected by the Revolution. The democratic surge did, however, introduce proportional representation and universal suffrage to the destruction of the old three-class system of voting.

The present drift is towards the single chamber council and away from the "Magistrat" as an executive board enjoying the prerogative of a second chamber. Although extreme democrats have advocated that administrative officials be directly elected and have insisted that the referendum on the acts of the municipal council be introduced, but little headway has been made in this direction.

Thanks to severe economy and hard work city budgets are now in order, although the evils wrought by inflation were catastrophic. Some fiscal difficulties remain, however, centering around the proper utilization of the income tax as a source of local revenue.

Having served its purpose, war-time socialism has virtually disappeared. Public regulation of housing remains and will be necessary until rents are adjusted to costs. Germany has always been committed to municipal socialism to a much greater extent than the United States but the period of inflation revealed certain dangers and limitations and a counter movement of de-municipalization has arisen. While the prime necessities of water, gas and electricity are still provided by the municipalities, a number of individual plants have been given a corporate organization, enabling them to function in the manner of privately owned companies.

The end of the war found the municipal public works badly run down and loans for replacements and betterments presented a serious problem due to the condition of the currency and difficulties of foreign loans.

German municipal administration is more conscious than ever of its place in the life of the nation and is facing the future with courage. —[Ed.]

EIGHT years have passed since the close of the World War. The Treaty of Versailles and the Dawes Plan, the German Revolution and the subsequent inflation of the currency were big factors in determining Germany's course during this period. They shook the foundations of our political and economic life. A seemingly unebbing tidal wave of most difficult problems flooded the country.

For the German cities these years were years of great distress and anxiety. Looking back on this interval, however, it may be said that the cities stood the strain wonderfully—thanks to the firm foundations of municipal self-government which they had built up during a period of a thousand years. With renewed faith in their stability, they can now look toward the future.

An exhaustive description of German municipal development during the period since 1918 would carry us far beyond the compass of the present article. It is only possible to sketch the main features of this development.

I

First of all let us consider the constitutional status of the German cities.

The German Reich, like the United States, has a system of federal government. The individual states (called *Länder*) such as Prussia, Bavaria, Saxony, etc., including the three Hanseatic cities, Hamburg, Lübeck, and Bremen, are autonomous.¹ They have their own fields of legislative and administrative jurisdiction, although it is provided in the federal constitution that the government of the Reich shall have exclusive legislative jurisdiction over some subjects, and concurrent jurisdiction over others.

At any rate the individual states and not the federal authorities have jurisdiction over the government of the German cities. During the last few years there has been some agitation for a federal municipal code, and the Deutscher Städtetag (an association of all the larger German cities) has taken a favorable attitude toward this idea. It has been promoting a complete draft of such a code. But the plan for a federal code seems to savor overstrongly of centralization and the time is not yet ripe for its realization. Hence we still retain our Prussian, Bavarian, Saxon, etc., municipal codes. Nevertheless, in any general political discussion it is quite correct to use the term *German municipal self-government*, inasmuch as the municipal codes of all the German states rest on uniform conceptions, although differing in details. Their common ancestor is the Prussian municipal code of 1808, which was the work of Freiherr von Stein, and proved to be one of the most important agencies of Prussia's regeneration after her crushing defeat by Napoleon. Stein's ideas gave to German local self-government certain distinctive features which differentiate it from local self-government in other countries, such as the United States, England, France and Italy.

¹ These free cities have the status of *Länder*.

The most important of these distinctive features may be explained as follows:

In Germany, as in the other European countries, with the exception of Great Britain, it is regarded as a fundamental principle that laws regarding the organization and the jurisdiction of the local authorities must be applied universally. "Local acts" applying to individual cities, as in England, are not enacted in Germany except in certain cases when the boundaries of a municipality are changed; neither are there any special legal privileges granted to individual cities.

Furthermore, all the German municipal codes recognize as a basic principle the right of every city, without any special authorization, to engage in any local activity whatsoever. To be sure, certain definite obligations have been imposed upon the cities; for example, the relief of the poor, the building and upkeep of streets and roads, and the provision of at least a system of elementary education; but in addition to all this and contrary to English practice, the German cities may, by virtue of their autonomous position, voluntarily engage in any other local activity, even though it involve entering into competition with any private enterprise in the same field.

Finally, the relation of the German city to the state is distinctive. Since the days of Freiherr von Stein the German laws have gone on the principle that municipal home rule is synonymous with municipal *autonomy*; not, of course, in the sense of medieval urban sovereignty (*Stadthoheit*); but necessarily limited to some extent by the fact that the city is a part of a unified modern state. This principle stands in contrast to the French conception which regards the municipality as an entity *en tutelle*, a ward needing the guardianship and protec-

tion of the state. The German point of view agrees, in general, with the English and American one in that it inclines to regard the cities as free corporations, conducting as a matter of course their own affairs according to their own judgment, without the guardianship and tutelage of the state, and choosing their own governmental authorities, including the mayors, without the concurrence of the higher authorities.

The German Revolution of 1918 did not change these fundamental conceptions which have been peculiar to German administrative law for more than one hundred years. The municipal codes which operated in most states at the time of the Revolution were rather old,—the greater portion of Prussia, for instance, was being administered according to a *Städteordnung* or City Government Act passed in 1853. Naturally, in the general eagerness to infuse all branches of German government with the spirit of the new republican constitution, there was some overhauling of the different municipal codes. In most of the larger states, such as Bavaria, Württemberg, Saxony, and Thuringia, new laws relating to city government were passed. Prussia is still operating under a provisional law, because her Parliament has not yet adopted the new municipal code which was laid before it by the ministry some time ago. During this process of new code-making there has been a danger that state officialdom, to which home-rule has always been a thorn in the flesh, would seize the opportunity to tighten up the reins of state control over the cities. The new parliamentary system involved tendencies in the same direction. Still it can fairly be said that the basic principles of the laws governing the relation of the German city to the state have remained intact.

II

As respects some other phases of local government, however, the German Revolution of 1918 wrought far-reaching changes,—in the municipal suffrage, for example. It was natural and inevitable that the democratic surge which found its expression in the change from monarchy to republic should leave its imprint upon the electoral system of the German cities. So the suffrage rules which govern elections to the Reichstag or national parliament are prescribed by the constitution of the Reich for state and municipal elections as well. These rules give the ballot to all German men and women twenty years of age or over, with the further provision that all elections shall be conducted in accordance with the principles of proportional representation.

This was a very drastic change in several of the states so far as city government was concerned, since it abolished the three-class system of voting which had remained in force in parts of Germany, especially in Prussia. This system had divided the voters in three classes, according to the amount of taxes paid by them, entitling the payers of every third of the entire assessment to one-third of the number of seats in the city council. In Prussia, before the Revolution, it was also required that at least half the members of the city council should be owners of real property within the city limits. But property qualifications, or the annual payment of a certain minimum in taxes, or the payment of fees for the acquisition of citizenship in the municipality,—all these have now been abolished as requirements for the exercise of suffrage in German cities. Every adult citizen has a vote, and an equal vote.

As a result of these new suffrage

regulations the non-propertied citizens are now more strongly represented in the city councils than formerly. The system of proportional representation, which theoretically may be called the fairest of all electoral plans, has elevated groups that formerly were mere factions into regular political parties.

Of course there were difficulties at the start. What at first seemed almost intolerable worked itself out rather well in the course of time. The extreme opponents of our present social system, the communists, have nowhere been able to gain the control which would have made possible their dictatorship, and the new German administration, with its daily necessity of discharging detailed practical duties, has proved to be a school of training in the exercise of reason, tolerance, and compromise. Despite numerous innovations, and notwithstanding the multiplicity of party groups, the municipalities have succeeded in tackling and solving the big problems of the last few years—though sometimes with much friction and with a few exhausting parliamentary struggles.

III

In some of the states there have been lively discussions concerning the respective merits of unicameral and bicameral councils. Should there be, in addition to the elective city council, a "Magistrat" or executive board enjoying the same rights as a second chamber, and should the concurrence of both chambers be made necessary for all important decisions? Both the unicameral and the bicameral systems have long been in existence in different parts of Germany. The discussions showed that both have their ardent friends and their thoroughly-convinced opponents. Under these circumstances it is not surprising that both systems continue to exist. It is be-

coming evident, however, that the single-chamber system, by reason of its simplicity, promptness in action, and absence of checks, is steadily gaining supporters.

The legal status of the German mayor (*Erster Bürgermeister*, or, in large cities, *Oberbürgermeister*) has also been the theme of much discussion. In connection with a single-chamber council his position is a pivotal point. The problem is closely connected with the status of the bureaucracy in municipal administration,—a matter which has great importance in relation to local self-government. It has always been characteristic of German self-government to set much emphasis on the work of the professional officials. These officials, in large numbers, find their life work in city administration; the higher ones very often hold one or more post-graduate university degrees, as is always true in the case of the mayor. The majority of German mayors are men who have been trained in the law, while the officials in the different administrative departments, such as education, engineering, and health, have had, of course, their particular professional training. The status of these professional officials rests, first of all, on the fact that they are chosen for twelve-year terms and not for the same terms as city councillors, that is, three or four years. This means that they must work with an eye to the future, independent of eventual changes in party control of the council, and experience has taught us that this is a good principle.

Experience has also shown that under normal conditions the prudent administrative expert who looks upon constructive work as more important than the mere fulfilment of party promises will succeed in his position despite changes in the political complexion of the city council. Traditionally, under the sin-

gle-chamber system, there developed the practice of making the mayor not only the head of the professional officials but the presiding officer of the city council as well. This dual position invested him with a dominating influence upon the course of municipal policy. In the recent municipal reorganization, efforts were made to curb this asserted omnipotence of the mayor. The communists, and some of the socialists, both of whom are strong friends of the single-chamber system, and probably having in mind the English town clerk, were in favor of having all decisions made by the city council, thus letting the mayor become merely the chief employee of the city, whose duty it would be to put the resolutions of the city council into effect. Their efforts, however, succeeded in only one state, namely, in Thuringia, where radical factions were in control at the time. According to the Thuringian municipal code the mayor is not the presiding officer of the city council but only its executive agent, and consequently is chosen for three years; that is for the same term as the councillors. But nowhere except in Thuringia has this plan gained adoption. In other German states which maintain the single-chamber system, namely in Rhenish Prussia, Bavaria, Württemberg, and Baden, the mayor is still chosen for a long term and is the presiding officer of the city council as well as the chief executive of the city. This is the traditional arrangement and links well with the system of professional officials, the bureaucracy as it is called. In Thuringia, by the way, there is a movement afoot to restore this system.

As everybody knows, there is a great diversity of opinion as to what constitutes a genuine municipal democracy. In the new Germany it has been argued that direct legislation is an essential of real democracy and that the represent-

ative system must be supplemented by a system of popular referenda. At any rate the referendum and the direct election of administrative officials have been advocated in the cities, but thus far they have gained little headway. In some portions of Germany, however, the mayor is now directly elected by the voters.

IV

The experience of the German cities in the field of financial administration during the past few years has been interesting. Two factors have been influential here: first, the catastrophe of the currency—a temporary upset but of tremendous force in its effect on economic life; and secondly, the administrative reorganization which was rendered necessary by the new financial legislation of the Reich.

A few remarks may be permitted concerning the era from 1920 to 1923, which, thank the Lord, is now a thing of the past! The collapse of the currency, in its later stages, rendered municipal budget-making virtually impossible. When a gold mark (twenty-four cents) was worth one hundred thousand paper marks one day and two hundred thousand the next, and one million the day after—indeed, when the figure climbed with inconceivable rapidity to one billion paper marks, then all planning of income and expenses simply stopped. Tax payments, fixed one day and paid another, were not worth the paper on which the tax bill was written. Only by means of ever-increasing issues of paper money did the various governments succeed in keeping their treasuries from going bare. The Reich set the example by issuing national paper money, and in a round-about way it got funds through the Reichsbank, printing Reichsbank notes. The states followed suit, and so did the cities, being pressed by the

necessities of the day. The German cities poured out this emergency money (*Notgeld*) in larger and larger amounts. The government of the Reich sought in vain to stem the precipitate fall of the mark by prohibiting the issue of this currency by the municipalities. It agreed to pay wages and salaries due by the states and 60 per cent of those for which the municipalities were liable; but even this provision, so repugnant to every sound canon of local administration, proved to be of no avail. Only the creation of the *Rentenmark* in November, 1923, put an end to the inflation which had meanwhile destroyed innumerable values and well-established business enterprises, besides having paralyzed the sense of order and business conscience throughout the entire economic and administrative life of the nation.

Now, after the lapse of three years, this interlude seems like a nightmare. The cities, by dint of hard work, have once more put their budgets in order, but they have inherited from the inflation-period the absolute destruction of their capital funds. Numerous endowments, the use of which the cities enjoyed as a result of their growth through centuries, simply melted away. On the other hand, the cities by the same process have freed themselves from their bonded debts, save for the percentage which has been fixed by the Revaluation Laws. The value of their real property remained unchanged, and as most German cities have followed the practice of acquiring land, many of them are left with considerable assets in spite of the inflation.

Secondly, the new financial legislation of the Reich, known as Erzberger's tax reform, had an important effect on the cities. The German Constitution of 1919 indicated a strong general tendency toward centralization, both legislative and administrative, to the

disadvantage of the several states. This is especially true in the field of finance. The problem of fairly distributing the sources of revenue among the municipalities, the states, and the nation, is a difficult one in any federalism. All three areas of government are dependent upon taxes for meeting their expenses, and each tries to get the lion's share by emphasizing the great importance of its own particular tasks. In the case of Prussia there are two additional areas of local administration, namely, the *Kreise* (urban and rural circles) and the provinces, so that there are five participants in the quest for income whose claims have to be adjusted. Before the war the Reich was content with the income from custom duties and the indirect taxes, such as excises on beer, spirits, and sugar, while the direct taxes on income, real property, and the trade licenses (all of which had come to be the principal taxes) were left entirely to the states and municipalities. After the war the Reich changed this system quite radically, and justified this action by pointing to its greatly increased financial burdens. By the Erzberger tax reforms the income tax, which had been the chief financial reliance of the states and local communities, was made a federal tax, though with the provision that a considerable percentage should be handed back to the states and municipalities in order to help balance their budgets.

The uniform income-tax assessment throughout the entire Reich is without question an improvement both politically and economically—at any rate as seen from the broad point of view of the Reich. There is, however, a consensus of opinion that because of the complicated constitutional structure of the Reich and its divisions, the existing method of distributing the returns from the income-tax among the three

areas of government cannot be continued, but must be changed. A detailed discussion of this matter would be out of place here, but the main outlines may be indicated. The essential point is that the communities are now allotted fixed amounts out of the income tax collections made by the Reich, without relation to their individual needs. They must again be enabled to decide for themselves, on the basis of the annual city budgets, how much of the income tax revenue shall be used for municipal purposes; or, in other words, how high their surtaxes (*Zuschläge*) on the federal levy shall be. This is as it used to be, and it is the only arrangement that squares with the principle of municipal home rule. The cities have always been, and still are, autonomous as respects the taxation of real estate and the fixing of fees for trade-licenses. The Reich realizes that these are indispensable sources of revenue for them.

The demand for the restoration of home rule in taxation as respects the income tax is justified as a matter of principle. Genuine self-government implies the right to decide how to meet expenditures by taxation. The allocation of sums out of the national treasury, fixed by the state on the basis of the number of inhabitants, or some other mechanical device, is in contradiction to the principle of self-determination. This repugnance is not merely theoretical, but an obviously practical one, for it means that the first axiom of sound financial administration is disregarded, namely, the adjustment of the tax income to the needs of the individual city. As a result of denying a city this right the municipal administration will eventually lose its sense of responsibility and the moral justification of self-government will be destroyed. The individual city administrations may find it agreeable to receive

without effort the large amounts allotted by the national government instead of wresting tax appropriations in parliamentary struggles from the city council; nevertheless every true friend of municipal self-government must insist upon the restoration of home rule in taxation, even though there are abuses and inconveniences connected with it. Fortunately, the conviction has spread more and more among all those concerned that the present system cannot be permanently continued, and the government of the Reich has announced its intention to bring in a bill which will restore to the cities, from April 1, 1927, the right of adding their own *Zuschläge* to the federal income tax levy.

V

A word as to the material achievements of the German cities during the era since the Revolution of 1918. The work of these years has been dominated by the task of liquidating the enormous burdens and losses, affecting the whole public and economic life, which resulted from the war and its aftermath, the inflation.

First of all it was necessary for the municipal administrations to catch up on work which of necessity had to be neglected during the war. Public buildings, for the maintenance of which funds had been lacking, had to be put in repair. Furnishings, and other equipment of public buildings, hospitals, and such community institutions had to be repaired or replaced, and the entirely neglected pavements had to be put into good condition. They had become worn out through lack of maintenance and by the wear and tear of the constantly increasing motor traffic. All this constituted a long and expensive task.

In addition the cities had to assume various other burdens as a result of the

war and the post-war demoralization. The returning soldiers had to be re-established in their professions and vocations; care had to be provided for the wounded and crippled, and support given to the war orphans and widows. The economic disorganization meant increasing masses of unemployed, while many, mostly old men and women who had lived on the income of their small fortunes, often saved during a lifetime, became paupers because of the inflation. This class of former small capitalists, ashamed to beg, became unexpectedly dependent on municipal welfare work. Families pouring in from the German territories which had been ceded to the victorious powers also had to be housed at a time when the cities were already struggling with a general housing shortage owing to the cessation of all building operations.

In all these matters the main burden, both of work and expenditure, fell upon the cities. The whole situation may be epitomized by saying that there was a great increase in expenses and a corresponding decrease in revenues. Conditions were analogous in the Reich and in the states. In the federal budget the reparations payments (in money and kind), though small for the first years in accordance with the Dawes Plan, soon began to make themselves strongly felt by their hampering effects. As a counterpart there was a decreasing capacity of industry and commerce to pay taxes, due to a slackening in sales and to the increasing unemployment of large numbers of people. All this was partly the natural consequence of a lost war, and partly the result of the world-wide economic crisis. Only the most strenuous efforts could lead Germany out of this distress, and consequently the immediate goal became strict economy in all branches of administration, with a decrease of the tax burdens, especially on the pro-

ductive enterprises. Thrift became the dominating note in the public program; "thrift commissioners" and "thrift commissions" worked energetically in nation, states, and municipalities. They struck out of the budgets all avoidable items of expenditure and improved the methods of public business in order to decrease the cost of administration in the greatest possible degree. More particularly the dismissal of officials who had a right to their position as civil servants, but who after the war had become superfluous, was carried through successfully in all branches of administration, as soon as it became legally possible.

The inflation being over now for nearly three years, it can now be said that the cities have succeeded, thanks to the compulsion of necessity but with great travail, in restoring again in their budgets the balance between expenditure and income. To be sure, the expenses had to be cut mercilessly at times, sacrificing necessary educational and welfare expenditures. But it was absolutely necessary, under all circumstances, *coûte qu'il coûte*, to carry into effect the principle, "No expenditure without the necessary funds."

A word should be added about the abatement in war time socialism and about municipal activities in the economic field. It will be remembered that German cities have always made liberal use of their legal authority to take over public utilities, and that Germany has had for a long time the municipalization of numerous enterprises which in other countries are being run as strictly commercial ventures. Water and gas works, slaughter houses and markets are nearly everywhere municipally owned and operated, as are also the street railways and electric plants in the larger cities. Harbors are always municipally owned and operated, except where they are the property

of the state. Nearly all savings banks are organized on a municipal basis, and there are many municipal cemeteries, museums, theaters, and so forth.

The war period brought many additional and complicated activities. The blockade had created a lack of everything needed, both for war purposes and for the daily life of the people. This made it necessary to establish official control and distribution of nearly all supplies, from metals needed by the war industries, to grain, household fuel (both coal and wood), dresses, shoes, milk and eggs,—all as in a besieged fortress. Taken as a whole it was an extraordinary administrative achievement and most of it was accomplished by the municipalities. After the war, consideration had to be given to the fact that the officials and employees who had been engaged in this work would have hardly any prospects of getting other employment; nevertheless the municipal payroll was successfully deflated within a few years and the whole fabric of "war socialism" has virtually disappeared. Only a remnant remains, namely, the public regulation of housing, which is an irrational factor in our economic life if continued permanently. At the present time, however, it is still a necessity, not only in Germany but in other European countries, and it will be so as long as there is no free market in housing; and such a free market can exist only when rents are high enough to show a fair return on new investment. Rents in German cities today reach only the pre-war level, while prices generally have increased fifty per cent and in the case of the most important building materials even a hundred per cent. Private capital, therefore, is as yet unwilling to build, and in fact individuals can build only with public help. The money for such purposes is obtained by a surtax on all houses built before 1918,

a levy which is justified by the nearly complete wiping out of all mortgage debts, an unearned increment to the landlord which it is thought the general public ought to share. The tax currently amounts to about forty per cent of the pre-war rent and thus brings in a very substantial revenue, about half of which is used for building subsidies. This relic of war-time activities is in the main being carried on by the cities. The erection of houses during recent years has been done as a rule either by the municipalities themselves or by public utility building associations (*gemeinnützige Baugenossenschaften*) with municipal assistance. The participation of the municipal authorities has certainly had a favorable effect on the quality of the new houses, and one may concede that many large post-war housing schemes have been well carried through both as regards convenience and aesthetics.

But the real solution of the housing problem cannot come by way of municipal construction or grants in aid. The task is too intricate for public administration. The bigness of the problem can be recognized in the fact that Germany today lacks about one million lodgings. It is regrettable that the time has not yet come when private enterprise can take hold of this gigantic problem and solve it quickly, for it is only in that way that it can be solved.

VI

An interesting development has taken place during the past few years in the traditional fields of municipal socialism. Although the Revolution at the outset brought strongly to the foreground the ideals of socialism besides those of democracy, the inflation period quickly led to a vivid realization of the dangers of socialization. The daily fluctuations in the value of the currency required a quickness of

decision in matters of business which the ordinary municipal administration, with its commissions and legal complexities, was not able to provide. The advocates of economic individualism who had always fought municipal socialism were now listened to more readily when they argued that public operation of gas, electrical, and similar plants could not be made to function efficiently under difficult conditions. As against the demand for municipalization in the first years following the war there rose up a strong counter-movement for de-municipalization. The result of the lively contest, on the whole, has been to leave the old municipal enterprises as they were; in other words the *Versorgungsbetriebe* or enterprises which closely relate to the necessities of life (especially water, gas, and electricity) are still municipally owned and operated. Some improvements in the forms of public management have been made, as the outcome of experience. For example, a number of individual plants have been given a company organization, the entire capital stock being controlled, however, by the municipality. In this way the management has been given the flexibility of a private enterprise. In other instances it was found possible, under the existing municipal powers, to gain this flexibility of management without resort to the company organization. This was accomplished by having the city council delegate to the directors and administrative boards broader powers of decision, so that they might dispose of business promptly without having to lay matters before the council for its decision. In general, then, the municipal character of the *Versorgungsbetriebe* has everywhere been preserved but the forms or the methods of management have been somewhat changed. As between municipal and private ownership the principle, as now

recognized, may be briefly stated as follows: enterprises which can be as well or better conducted by private hands, belong in private hands. But where the interests of the people can count upon receiving more consideration under municipal management, municipal management must take its place.

The question of taxing the municipal enterprises has been a theme of vigorous controversy between the city administrations and the private industries during the past few years. According to the latest regulations all enterprises of a commercial character are subject to taxation, but in the case of municipal taxes this is only a matter of formal entries on the books for the purpose of gaining a true statement of fiscal operations.

VII

Finally as to the making of loans. It is obvious that after having had no possibility of borrowing during the war, and for a time thereafter, municipal loans have become a pressing necessity. Extreme thrift and restraint is, of course, also quite necessary. But a city, especially a large city, cannot go on stagnating after a decade of standstill. The gas, water, and electrical plants, the street railways, and the sewerage systems all need to be thoroughly modernized because of their neglect during these years and because of the technical progress made in the meantime. In very many cases the works have had to be enlarged in order to be able to serve the increasing demand. Even those who have the strongest bias toward economy cannot shut their eyes to the fact that the cities have an absolute duty, at least within certain limits, to keep pace with the new needs of the time; for example with respect to the growing automobile traffic, air transportation, the necessity

of providing athletic fields and gymnasiums, and so on.

All this means a brisk demand for loans, although a few cities may still be able to do without much issuing of bonds for some time, thanks to the present possibility of obtaining money on short notice. Until very recently it was the American market in the main to which resort had to be made for long time loans. But there are important economic considerations which militate against foreign loans. For one thing there is a fear that municipal loans contracted abroad would limit the capacity of foreign money markets to absorb the loans necessary for developing productive enterprises in German agriculture and industry. Another danger inheres in the continuous dependence of German economic life on foreign capital and the possibility of bringing about disturbances in the now stabilized currency. Both the nation and the states, therefore, have endeavored to dissuade the cities from contracting foreign loans, recommending urgently that they postpone their projects to a more favorable season. At the same time the legal restrictions upon unimperative loans have been tightened up. Regulations affecting municipal loans have long been in effect nearly everywhere throughout Germany, the general stipulation being that proposed municipal bond-issues must be submitted to designated supervisory boards, without whose express approval they could not be offered to the public. In the case of foreign loans an additional requirement, namely, approval by a special federal board, has now been added so that foreign loans have to stand a double investigation. A sharp supervision of these financial transactions is bound to accomplish something good. The two investigations are very thorough, and after a loan has been authorized it can safely

be said that there is a double assurance; namely, that the loan is for necessary expenditures and that it is within the financial capacity of the borrowing municipality.

For a time the whole borrowing process was complicated by the appearance in Germany of numerous wild agents who pretended to represent American capital. In reality they were only commission hunters without responsibility. On the other hand, many German cities, even quite small ones, feared that they would not succeed in floating their loans unless they sent their own representatives to America. This they did, with rather unfavorable results. But in the course of time it has been possible to bring orderliness and sanity into this loan business and to restore normal methods. After the chaff had been separated from the wheat a number of good loans have been placed through leading American bankers, partly by large individual cities like Berlin, Cologne, Dresden, and Munich, and partly by a number of cities collectively. Among these collective municipal loans the most important are those made by the *Deutscher Sparkassen-und-Giro-verband* (German Association of Savings and Deposit Banks), because the *Giroverband* includes nearly all the German cities, including also those which have contracted their own loans. It proves the credit-strength of them all.

At the outset the question of special security for American loans played an important part in the negotiations. The pledging of special security was, however, quite unacceptable to the German cities, as it would have been repugnant to the principle that the entire property and tax resources of a municipality are the security for all creditors. To give special security would have been unfair to other creditors who had loaned to the city upon

the assurance of its unimpaired credit. The request for such special security has now been dropped. During the past year, moreover, the home market for loans has somewhat improved and a number of German cities have found it possible to float long-term internal loans.

VIII

Although it is not possible to present, in this article, a detailed account of the development of the German cities since the war it would be an omission not to emphasize briefly the tremendous obstacles and difficulties encountered by the cities in those regions which, by provisions of the Treaty of Versailles, have been under foreign occupation,—for example the Ruhr district, occupied for a time by the French in contravention of the peace treaty, the municipal district of Cologne, and the still occupied territory which comprises a large part of the Rhine province. It was the municipal administrations which had to suffer most severely under these various occupations, with the requests for the housing of foreign troops and their families, with banishments and imprisonments, with the stoppage of essential industries, and daily oppressions of all kinds. The cities of these regions may look back with special pride upon the troublous era in which they held out bravely. And it is worth while to incorporate in the history of German municipal administration the fact that numerous chief burgomasters and other municipal officials could not be diverted from the performance of their duty even at the certain risk of being sentenced by the French to prison or even to the *Zuchthaus*¹ for months or years.

¹*Zuchthaus* sentences are even more dishonorable than prison sentences and are not under one year, while the treatment is more

An interesting development in the organization of the capital city remains to be mentioned. In 1911 the close economic association of Berlin with its small and large suburban cities (some of which, like Charlottenburg and Schöneberg, contained more than one hundred thousand inhabitants) led to a loose municipal federation under the designation *Zweckverband Grossberlin*. This was particularly intended to promote city planning on a metropolitan scale and assist in the conservation of the surrounding forests. But it paved the way for a complete municipal union which was finally brought about in 1920.² Upon an area of eighty-seven thousand hectares (two hundred and fifteen thousand acres) and with four million inhabitants there was created the Greater Berlin of today. As a municipality it is now in the class with New York and London. For the administration of this large municipality some interesting features of government were devised, especially as concerns the relation of the central city administration to those of the boroughs or administrative districts (*Verwaltungsbegirke*). On the whole, however, Berlin is a city with unified administration and remains subject to the municipal code. A general reorganization of the municipalities in Germany's largest industrial territory, the Ruhr district, is also worth mention. In this region the industrial development has had the result of giving the

severe. They are usually connected with the loss of civic rights for a certain period of time, and former *Zuchthaus* prisoners can never serve in the army or navy even in the time of war.
—[TRANSLATOR]

² *Gesetz über die Bildung der neuen Stadtgemeinde Berlin* (April 27, 1920). A portion of this law is printed in T. H. Reed and Paul Web-bink's *Documents Illustrative of American Municipal Government* (New York, 1926), pp. 504-512.
—[Ed.]

whole district the physical features of one large city. New regulations have here been drawn with an energetic hand, clearing the way for the development of several large municipal units, since the territory is too large to be administered as a single municipality. In a word, the municipal development of Germany since the war has not been stalled but has been progressing steadily.

Great distress was brought to the German cities by reason of a lost war, reparations, and a world crisis. But it did not serve to break down their strength and courage. German municipal administration is now more than

ever conscious of the fact that it must undertake important work in the life of the nation. Even the storm and stress of the past dozen years have left intact the most vital feature of Stein's reform, to wit, the principle of municipal self-determination, thus demonstrating that this century-old formula of local government stands today with undiminished strength. Hence our cities may feel sure, as of yore, that they sail in a storm-defying craft. Confident of their strength, they are once more able to steer a definite course, the course of courageous progress.

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*These can no longer be supplied.

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THE LEAGUE'S BUSINESS

A Recognition.—Hon. W. D. Foulke, a former president of the National Municipal League and a staunch member, was given a community dinner by the Richmond, Indiana, Rotary Club on the occasion of his seventy-seventh birthday. Mr. C. R. Woodruff represented the National Municipal League and spoke briefly on the helpful service Mr. Foulke has always given the League.



University Professors Appointed to City Planning Commission.—Professors F. G. Bates and D. A. Rothrock of Indiana University have been appointed to the city planning commission by the mayor of Bloomington. It is a pleasure to note this frank recognition of the need of those who have specialized in theories of government as applied to municipal activities.



National Municipal League Series of Monographs.—The second book in this series, "Depreciation in Public Utilities," by Delos F. Wilcox will be ready for distribution January 1.

Mr. Wilcox, a public utility expert well known to readers of the REVIEW, discusses in this monograph the causes of confusion in measuring depreciation, the most disputed factor in rate making, and proposes a reasonable theory of accrued depreciation, while the last part of the book is given over to illustrations of street railway practice in measuring depreciation.

The price of the book is \$2.00; orders may be placed now for early delivery.

The demand for the first book in this series, namely, "Municipal Budgets and Budget Making," by A. E. Buck, still continues. Orders for it have come from Canada, France, India, Italy, Sweden, England, South Africa and Holland as well as from all sections of U. S. A.



Pittsburgh Addresses on Regional Planning and Regional Government.—The addresses delivered by Mr. Thomas Adams (on regional planning) and by Professor T. H. Reed (on regional government) will be published in the February issue of the NATIONAL MUNICIPAL REVIEW. It is regrettable that stenographic notes of these addresses were unavoidably delayed and therefore the addresses could not be included in the January REVIEW.



Pittsburgh Addresses on Getting Results in City Planning and Zoning and Financing Improvements Within the Region.—Mr. H. Bartholomew's address on "Getting Results in City Planning and Zoning" and Mr. Lawson Purdy's address on "Financing Improvements Within the Region" are both being printed in pamphlet form by the American Civic Association. Copies may be secured by addressing that organization in Washington.

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THE LEAGUE'S BUSINESS

Grant for Study of Regional Government. The Russell Sage Foundation has made a grant of \$10,000 to the National Municipal League to finance a year's study in the government of metropolitan regions. Dr. Paul Studensky has been added to the staff of the League to prosecute the work in co-operation with our committee on the subject, of which Dean Frank H. Sommer of New York University Law School is chairman.

The nation is just beginning to realize that the growth of metropolitan areas, as we know them today, places heavier and heavier burdens upon the existing local governments, designed to fit a more primitive society. The movement for regional planning, rapidly broadening under the impetus transmitted by the Plan of New York and Its Environs, has emphasized the need for correct forms of governmental organization in the populous areas surrounding our large cities, areas which are attached to the city by strong social and economic bonds, but which have, and frequently wish to retain, separate governments.

The committee will first address itself to a survey of the merits and weaknesses which experience has revealed in the various forms of regional and inter-municipal organization now found in various metropolitan areas. Against the background of facts revealed by such appraisal it will be possible to project the metropolitan government of the future. We are grateful to the Russell Sage Foundation for their appreciation of the value of the study and for their financial aid which makes it possible.



Return of Secretary. The Secretary of the League, H. W. Dodds, has returned from Tacna-Arica where he has been acting for the past six months as technical adviser to General John J. Pershing, President of Plebiscitary Commission, which is holding an election in that territory to decide whether Chile or Peru shall have ultimate possession of it. He will resume the editorship of the *REVIEW* with the next issue.



Portland Prize Award. The Portland Prize offered each year through the National Municipal League to the student of Reed College presenting the best essay on municipal government was this year awarded to Alden B. Mills, a senior in the department of Political Science. First prize money amounts to twenty-five dollars. Second and third prizes of fifteen and ten dollars respectively, were awarded to Ted M. Swett and Philip Silver. The judges were Dr. Ralph S. Boots of the University of Nebraska, Leo Tiefenthaler of the City Club of Milwaukee and Mrs. Craig C. Miller, Secretary of Michigan State Corrections Commission.



Depreciation in Public Utilities, by Delos F. Wilcox, the second book in the National Municipal League Monograph Series enjoyed an encouraging advance sale. Orders are now filled on the day of receipt. The price is \$2.00 postpaid.

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THE LEAGUE'S BUSINESS

Reports of Memorial Meeting of George Burnham, Jr.—The City Club of Philadelphia will supply on request, up to the limit of the edition, a pamphlet containing a stenographic report of the ten addresses delivered at the meeting held in memory of George Burnham, Jr., by those who represented organizations in and outside of Philadelphia in which Mr. Burnham had been so effectively active. Richard S. Childs represented the National Municipal League.



The Conference Committee on the Merit System, composed of representatives from the National Municipal League, the National Civil Service Reform League, the Governmental Research Conference, the National Assembly of Civil Service Commissions and the Bureau of Public Personnel Administration, has issued a preliminary report which was published as the January number of *Public Personnel Studies*. Accompanying the report is a suggested draft of a civil service law applicable to cities and municipalities.

The committee was unable to agree upon any single form of organization of the civil service commission. It accordingly resolved its difficulties on this score by describing six forms of organization and allowing the proponents and critics of each to write the arguments pro and con. But the report is especially valuable because of its detailed consideration of the functions and services which a public personnel agency must perform. The final report will be issued in book form.



Death of William H. Maltbie.—Mr. Maltbie, an old member of the League and a frequent contributor to the REVIEW, passed away on January 23 after a brief illness. Mr. Maltbie had a distinguished career as college professor, public servant and lawyer. He was the first head of the Bureau of Municipal and State Research established in Maryland in 1912, and in 1918 was made a member of the Baltimore City charter commission. During the war he was food administrator for Maryland. Much of his law practice had to do with public utilities. His going will be a serious loss to Baltimore. In the words of the *Baltimore Sun* "his peculiar combination of brains, character and diverse, yet deep, training cannot be duplicated."



First Monograph Brings Favorable Comment.—The following unsolicited testimonials regarding *Municipal Budgets and Budget Making*, by A. E. Buck, may be of interest. The first from a budget official in Minnesota:

May I take the liberty of complimenting the League, and through the League Mr. Buck, on the recent publication of *Municipal Budgets and Budget Making*? In my opinion it should be of great value to budget officials, particularly in small cities. It has the merit of being clear and to the point and of not being overloaded with discussions and explanations which tend to frighten many readers rather than to elucidate the plan under consideration. This volume has made an extremely pleasing impression on my mind.

The second is from a budget official in California:

I want to tell you how much I enjoyed the monograph on *Municipal Budgets and Budget Making*. It is by far the most concise and lucid exposition of municipal budgets and budget practice that I have ever seen. . . . It is a book which would have saved me many hours of rather tedious work had I been in possession of it a couple of years ago.

The few remaining copies are still selling for \$1.50 each plus postage.

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THE LEAGUE'S BUSINESS

Richard S. Childs, vice-president of the League and chairman of the Finance Committee, has been elected president of the New York City Club. **Henry H. Curran**, Republican candidate for mayor of New York in 1921, has resigned as commissioner of immigration to become counsel for the City Club.



The Committee on the Model Bond Law, **Carl H. Pforzheimer**, chairman, is planning a meeting the latter part of April for final action on a model municipal indebtedness law. **C. E. Rightor** and **John S. Rae** of the Detroit Bureau of Governmental Research are acting as secretaries to the committee, and to them falls the credit for the rapid progress made by the committee during the winter months.



Conference on Budget Practice.—The League has called a conference of government budget officers for April 22 and 23 to discuss methods for the improvement of budget forms and procedure. Attendance will be limited to state and municipal officials in charge of budget making. No papers will be read and no set addresses given, the aim being to keep the discussions informal and very practical. Four sessions will be held. **Dr. Clyde L. King**, secretary of the commonwealth of Pennsylvania, **Mark Graves**, New York state tax commissioner, **Lent D. Upson**, director of the Detroit Bureau of Governmental Research, and **George M. Link**, secretary of the Minneapolis board of estimate and taxation, will have charge of one session each.



The Committee on a New Municipal Program, which is at present engaged in rewriting our Model Charter, will hold a two-day session in New York, April 23 and 24. If everything goes well the revision will be completed at this meeting. **Dr. A. R. Hatton** is preparing the final sections in tentative form for consideration by the committee. How best to treat the subject of special assessments has given the committee no little trouble. Letters have been written to more than one hundred city attorneys, engineers and financial officers, soliciting their help and advice for the guidance of the committee. The replies, which disclose a wide variation in theory and practice, will be placed before the committee at this meeting.



Model Charter Goes to Ireland.—**M. J. Horgan & Sons**, solicitors of Cork, have written for our Model Charter and other information on the city manager plan. They state that they are anxious to introduce manager government in Cork.

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HEADQUARTERS OFFICES AT 155 EAST SUPERIOR STREET, CHICAGO

THE LEAGUE'S BUSINESS

Publication of the Conference Committee Report on the Merit System in book form has been made possible through the generosity of the League's treasurer, Mr. Carl H. Pforzheimer. Distribution will be through the office of the National Municipal League. The report, published originally in the January issue of *Public Personnel Studies*, is at present being revised by an editorial sub-committee.



Growing Demand For League Publications.—The first monograph in our new series entitled *Municipal Budgets and Budget Making* by A. E. Buck has been sold out and less than one hundred copies of *Depreciation in Public Utilities* by Delos F. Wilcox remain. The Wilcox monograph has been referred to by the *London Municipal Journal* as "an excellent piece of work," and if you want a copy you had better get your order in at once.

We are at present receiving daily requests for copies of our *Model State Constitution* and have just published a new edition of the pocket pamphlet, *The Story of the City Manager Plan*. The total sale of the latter booklet is well over one hundred thousand.



Death of John H. Gundlach.—St. Louis has lost a faithful and energetic worker for civic betterment and the League a loyal friend in the recent death of John H. Gundlach. Not the least of his services to the country has been the aid and comfort he has extended as a prominent realtor to the cause of zoning and city planning. He was a frequent contributor to the *REVIEW*, his last article, which appeared in September, being entitled "A Realtor Talks on City Planning and Zoning." The world has need of more men of the type of Mr. Gundlach.



The Committee on Regional Government, operating under a grant from the Russell Sage Foundation, is at present considering the material assembled by its secretary, Dr. Paul Studensky on his visits to Boston, Philadelphia and Pittsburgh. Dr. Studensky is at present visiting the cities of Cleveland, Detroit and Chicago, and will later go to St. Louis and the far west.



Distribution of League Publications.—During the past month packages of our pamphlets or books have been sent to persons in thirty different states and five foreign countries. This is exclusive of distribution of single copies, which continues unabated. We answer each month about six hundred inquiries for information and advice.

NATIONAL MUNICIPAL REVIEW

PUBLISHED MONTHLY BY THE

National Municipal League

VOL. XV, No. 6

JUNE, 1926

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HEADQUARTERS OFFICES AT 155 EAST SUPERIOR STREET, CHICAGO

THE LEAGUE'S BUSINESS

The Thirty-Second Annual Meeting To Be Held in St. Louis.—The council has unanimously decided to accept the cordial invitation of our friends in St. Louis to hold our thirty-second annual meeting there. The time will be early in November.

More details in the next issue.

Baldwin Prize Subjects for 1927.—The League's committee on prizes, Professor Edwin A. Cottrell, chairman, announces the following subjects for the Baldwin Prize for 1927:

- Progress in Municipal Home Rule Since 1900.
- The Development of Municipal Reporting in City Manager Cities.
- Have Proportional Representation Elections Fulfilled Expectations?
- Should a Personnel Director Chosen by the Executive Replace the Civil Service Commission in Municipal Government?
- Should American Cities Return to the Ward System of Electing Members of the Council?

Successful Budget Conference.—The first budget conference sponsored by the League was held on April 22 and 23 and attended by twenty budget officers and experts. It was in a sense an experiment. That it was successful is evidenced by the resolution naming A. E. Buck as chairman to carry on further discussion of the moot points in the NATIONAL MUNICIPAL REVIEW and to consider the holding of a second conference next year.

Progress of Model Bond Law.—The committee drafting the model bond law, Mr. Pforzheimer, chairman, and C. E. Rightor and John S. Rae, secretaries, has about completed its work.

After considerable discussion the committee decided to permit the sale of bonds at a discount not to exceed three per cent. It was realized that municipal officials often fear criticism if the city's bonds do not bring at least par, but the market advantage of discount bonds under certain circumstances is so clear that it was felt that cities should be allowed to take advantage of it if they wish.

Municipal officials often claim glory for themselves because of the premiums which the city's bonds bring in the market, because the public rarely understand that this is due to an unnecessarily high interest rate rather than to the exceptional credit of the municipality. What is not realized is that bonds sold above par meet the biological resistance of purchasers who are inclined to think that a bond at a premium is a bargain and who will accept a lower price for their money than in the case of a bond at par. Bonds issued at an interest rate above the market will bring a premium. The counter makes them expensive to the municipality.

Under a resolution the committee will next proceed to draft a model municipal budget and budget practice. C. E. Rightor will act as secretary. During the deliberations it became clear that sound bonding practice cannot be divorced from budget procedure. How far the state should go in supervising the budget of municipalities is, however, debatable and the committee has some interesting, if not stormy, days ahead of it.

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National Municipal League

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HEADQUARTERS OFFICES AT 155 EAST SUPERIOR STREET, CHICAGO

THE LEAGUE'S BUSINESS

The St. Louis Meeting.—November 8, 9 and 10 are the dates. The local headquarters will be at the Hotel Statler. Mrs. Marion C. Blossom is chairman of the local committee on arrangements which, in co-operation with the efficient St. Louis Convention and Publicity Bureau, is planning some unique features for the entertainment and civic enlightenment of the guests.

There is no city in the country to-day with a more interesting array of public problems before it than St. Louis. We note elsewhere in this issue the present situation respecting city and county consolidation. Public improvements and city planning are proceeding apace under the big bond issue authorized by popular vote three years ago. The movement for administrative reform in the state government has reached the stage at which something is going to be done, and last, but not least, the findings of the state-wide survey of the administration of justice in Missouri will have been announced and will be ready for discussion.

Many of our members will want to know about the methods, as well as the conclusions, of the Missouri Association for Criminal Justice which has spent months of time and thousands of dollars in investigating courts and procedure throughout the state. A tentative program will be announced shortly. In the meantime, mark the date on your calendar and plan to attend.



Death of Former Vice-President.—H. E. W. English, a former vice-president of the League, died March 28, 1926. He was long and intimately connected with the life of the city of Pittsburgh. His civic activities were many, one outstanding accomplishment was his successful initiation of a social survey of Pittsburgh, which under the auspices of the Russell Sage Foundation resulted in the development of safety appliances, a hospital system and other humane agencies. Announcement of the death of Mr. English will bring sincere regret and a real sense of personal loss to many who are struggling in their own cities for those things for which Mr. English worked in Pittsburgh.



The Merit System in Government.—Through the kindness of our treasurer, Mr. Pforzheimer, the report of the Conference Committee on the Merit System has been published in book form and is now ready for distribution. It is bound in cloth and will be delivered postpaid for the price of \$1.50.



Registration Methods to be Studied.—The League has organized a committee on the improvement of election methods. The first subject to be studied will be reform in registration practice. Dr. Joseph P. Harris, who has spent the past year in visiting various cities and studying their registration systems, is acting as secretary of the committee.

NATIONAL MUNICIPAL REVIEW

PUBLISHED MONTHLY BY THE

National Municipal League

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HEADQUARTERS OFFICES AT 155 EAST SUPERIOR STREET, CHICAGO

AUDITOR'S REPORT

NATIONAL MUNICIPAL LEAGUE

BALANCE SHEET AS AT MARCH 31, 1926

ASSETS

Cash in bank and on hand.....	\$3,254.66
Accounts receivable.....	71.64
United States Third Liberty Loan 4½s.....	600.00
Interest accrued on United States Third Liberty Loan 4½s.....	25.50
Furniture and fixtures, less depreciation.....	512.62
	<u>\$4,464.42</u>

LIABILITIES

Accounts payable—trade.....	\$2,136.20
Portland fund.....	600.00
Surplus:	
Balance as at March 31, 1925.....	\$3,634.04
Deduct:	
Royalties receivable overstated on March 31, 1925....	\$132.47
Excess expenditure over income for the year ended	
March 31, 1926.....	<u>1,773.35</u>
	<u>1,905.82</u>
	<u>1,728.22</u>
	<u>\$4,464.42</u>

REVENUE ACCOUNT

For the Year Ended March 31, 1926.

Revenue—Dues:	
Annual.....	\$5,505.83
Sustaining.....	2,040.00
Contributing.....	700.00
	<u>\$8,245.83</u>
Contributions.....	\$12,615.00
Contributions—specific.....	4,999.96
Subscriptions to the REVIEW.....	2,102.94
Sale of REVIEW and other publications.....	3,895.25
Royalties.....	124.18
Services.....	95.25
Advertising.....	132.00
Baldwin Prize.....	100.00
Interest on Liberty Bond—Portland Prize.....	25.50
Interest on bank balances.....	37.59
	<u>\$24,127.67</u>
	\$32,373.50
Expenditure:	
Printing REVIEW.....	\$6,563.77
Salaries—officers.....	\$10,714.12
Salaries—clerks.....	6,408.35
	<u>17,122.47</u>
Postage, telephone and telegraph.....	1,449.29
Printing and stationery.....	3,391.46
Traveling.....	607.83
Rent.....	2,275.86
Auditing.....	200.00
Sundry supplies, books, etc.....	359.18
Press clippings.....	63.80
Royalties.....	44.47
Prizes:	
Baldwin.....	\$100.00
Portland.....	25.00
	<u>125.00</u>
Committee on Government of Metropolitan	
Areas:	
Salary.....	\$1,374.96
Traveling.....	391.45
	<u>1,766.41</u>
Bank charges.....	26.25
Miscellaneous expenses.....	94.10
Depreciation on furniture and fixtures.....	56.96
	<u>\$34,146.85</u>
Balance, being excess of expenditure over income.....	<u>\$1,773.35</u>

PEAT, MARWICK, MITCHELL & Co.,
Auditors.

40 Exchange Place, New York,
June 29, 1926.

NATIONAL MUNICIPAL REVIEW

PUBLISHED MONTHLY BY THE

National Municipal League

VOL. XV, No. 9

SEPTEMBER, 1926

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HEADQUARTERS OFFICES AT 155 EAST SUPERIOR STREET, CHICAGO

THE LEAGUE'S BUSINESS

Thirty-Second Annual Convention.—As previously announced the annual meeting this year will be held in St. Louis, November 8 to 10. The National Association of Civic Secretaries will meet with us and it is hoped that the newly organized American Municipal Association will convene at the same place on the days immediately following our sessions.

Full announcement of the programs will be made in the next issue of the REVIEW. As usual, complete advance programs will be distributed to the League members by direct mail.



Organization of Administrative Research Department.—The National Municipal League has received a sum of money to make possible the organization of an administrative research department in co-operation with the Governmental Research Conference. The new department will be under the supervision of a special committee composed of representatives of the municipal research bureaus and the League. Its new functions will be as follows:

To act as the central library and information exchange for existing bureaus of municipal research and to promote the municipal research idea and the organization of additional bureaus.

To edit, with the assistance of staff members of the bureaus of research, studies and reports applicable to all cities.

To extend the information service now rendered by the League and the individual bureaus to cover thoroughly the administrative field.

In a word, the purpose of the new department is to serve at once the interest of the local research bureaus by providing a central co-operative agency, and through the publication of administrative studies and the establishment of a central information service on administration, to aid the cause of better city government generally throughout the United States and particularly in those cities which do not now enjoy the services of a research bureau.

The editor of the REVIEW feels that the League's usefulness will be greatly increased by extending to the administrative field the service which it has been rendering in the field of structure and organization of government. The undertaking is fortunate in having the full co-operation of the municipal research bureaus and we trust that they will individually find the central agency helpfully efficient.



Committee on Government of Metropolitan Areas.—Dr. Paul Studensky, secretary of the committee, is at present on the Pacific coast studying the regional government of Los Angeles, San Francisco, Portland and Seattle. He was retained for the month of August as consultant to a committee which is planning a regional government for Portland, Oregon.

Prof. Thomas H. Reed of the University of Michigan has returned from a study of the metropolitan government of London, Berlin, Paris and Brussels, and is preparing a report on the metropolitan government of these cities which will be published as a supplement to the full report of the League's committee. Those interested in the simplification of regional government in the United States should communicate with Mr. Reed in order to avail themselves of his comprehensive knowledge of foreign conditions.

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THE LEAGUE'S BUSINESS

Baldwin Prize Award for 1926.—The Baldwin Prize of one hundred dollars, awarded each year for the best essay by a college student on some phase of municipal government, was this year won by George H. Sage of the Class of 1927 of Harvard College. Second place was awarded to Edward J. Creswell, Class of 1926, Harvard College. William Richard Kern of the University of Pennsylvania and John Stothers of Wesleyan University were awarded honorable mention.

The judges were Professor Frank G. Bates of Indiana University, Professor Russell M. Story of Pomona College, and Walter Matscheck, director of the Kansas City Public Service Institute.

The subjects for the 1927 contest were published in the *NATIONAL MUNICIPAL REVIEW* for June. Full information as to topics and terms of the contest have been sent to the professors of government in the universities and colleges throughout the country to whom students interested in the contest should refer.



New Department Coöperating with Municipal Research Bureaus.—We are delighted to announce that George H. McCaffrey of the Boston Good Government Association has accepted the directorship of the new department on administrative research and publication, the organization of which was announced in the September *REVIEW*. Miss Esther Crandall, former assistant municipal reference librarian in Milwaukee, has become reference librarian in the new department. Mr. McCaffrey has had intimate contact with the politics of Boston. He was a member of the Constitutional Convention in 1918, and the League as well as the Governmental Research Conference is to be congratulated in securing him. The first item on his program is an extended visit to the various bureaus of municipal research throughout the United States.



Organization of Committee on Election Administration.—President Polk has recently appointed the following persons to serve on the committee on election administration:

Albert S. Bard, New York; W. W. Connor, Seattle; Oakley E. Distin, Detroit; Mayo Fesler, Cleveland; W. P. Lovett, Detroit; Walter Matscheck, Kansas City; C. E. Merriam, Chicago; Harley G. Moorehead, Omaha; H. A. Nichols, Rochester, N. Y.; F. L. Olson, Minneapolis; Helen M. Rocca, Washington, D. C.; George C. Sikes, Chicago; Thomas R. White, Philadelphia; and J. H. Zemansky, San Francisco.

Dr. J. P. Harris, who has spent the past year in studying the registration systems in various cities, will act as secretary to the committee. The first problem is the development of a registration system which will be less expensive and less a deterrent to voting than the present systems generally in force, but which will at the same time guard against fraud in administration.

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THE LEAGUE'S BUSINESS

Members of the League will be pleased to learn that the efforts of the Committee on Expanded Program have borne definite fruit. It had long been recognized that, upon the one hand, municipal research students lacked a central place to coördinate news of their activities and to do for them what the League had long done for workers in the political and theoretical field, and on the other that the League was rather one-sided because, with its existing facilities and funds, it could not go as far into the administrative side as it did on the political.

Last spring the Committee found the wherewithal to fill these needs, and the new work actually began in October as a coöperative arrangement between the League and the Governmental Research Conference. It will serve on the one hand the individual bureaus of municipal research, and on the other hand the large number of cities which have no research bureaus by making available to them original material and research reports emanating from the bureaus.

The title selected for it, after much thought, was "The Municipal Administration Service of the National Municipal League and the Governmental Research Conference." The Service affords to those interested in municipal administrative problems the aid of a central library, with loan privileges, which will become increasingly valuable as its collection grows; answers to special questions on administration such as the League has long answered on political matters; and a medium for editing and publishing pamphlets, reports and monographs on administrative topics of general interest which will be handled in the same manner as the League's well-known series.

The Service Library will make an especial effort to obtain and have available material which is not generally accessible or obtainable from publishers. It is hoped, therefore, that members of the League will assist by contributing one, two, or three copies of any reports, pamphlets, addresses and similar material which they prepare or publish.

The Service is located in the same office as the League. George H. McCaffrey, former Secretary of the Boston Good Government Association, has been appointed Director and Miss Esther Crandall, best known as Librarian of the University of Minnesota Municipal Reference Bureau and recently with the Milwaukee Municipal Reference Library, is the Librarian.

Members are urged to avail themselves to the full of this new Service, which we are confident will soon be saving those interested in administrative problems much waste in time and energy.

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National Municipal League

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THE LEAGUE'S BUSINESS

Our Thirty-Second Annual Meeting was held in St. Louis, November 9 and 10. It was the first time in a number of years that the League had met so far west and was the occasion of forming many new friends. The National Association of Civic Secretaries and the American Municipal Association met at the same time and place. One session was held jointly with the Illinois Municipalities Conference. It was one of the best attended conventions which the League has ever held.

Sincere thanks are due the local committee, headed by Mrs. Marion C. Blossom, for the smooth manner in which the sessions were carried on. Local arrangements proceeded without a hitch in any detail. A feature was an automobile ride around St. Louis and through Forest Park. Competent persons were stationed on each bus to explain the gigantic improvement program being prosecuted in St. Louis.

The location of the 1927 meeting has not been determined, but it will probably be in the east.

Next month we shall publish excerpts of the various addresses.



Election of Officers.—At the annual business meeting of the League held in St. Louis, November 10, the Honorable Frank L. Polk of New York was reelected president. The following were reelected as vice presidents: Richard S. Childs, New York; Carter Glass, Lynchburg, Va.; Charles Evans Hughes, New York; W. D. Lighthall, Montreal; Meyer Lissner, Los Angeles; A. Lawrence Lowell, Harvard University; J. Horace McFarland, Harrisburg; C. E. Merriam, University of Chicago; W. B. Munro, Harvard University; L. S. Rowe, Washington, D. C.; Miss Belle Sherwin, Washington, D. C.; A. Leo Weil, Pittsburgh.

Clinton Rogers Woodruff was reelected honorary secretary and the following were elected as new members of the council for the full term 1926-1929: Benjamin F. Affleck, Chicago; Alexander M. Bing, New York; Morris B. Lambie, University of Minnesota; Colonel C. O. Sherrill, Cincinnati.



Baldwin Prize for 1927.—Notices giving the subject of essays for the Baldwin Prize competition have been mailed to professors of municipal government in the colleges and universities throughout the United States. If you are interested in the subjects or in the terms of the award address the secretary of the National Municipal League, 261 Broadway, New York City, and full details will be sent you.

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